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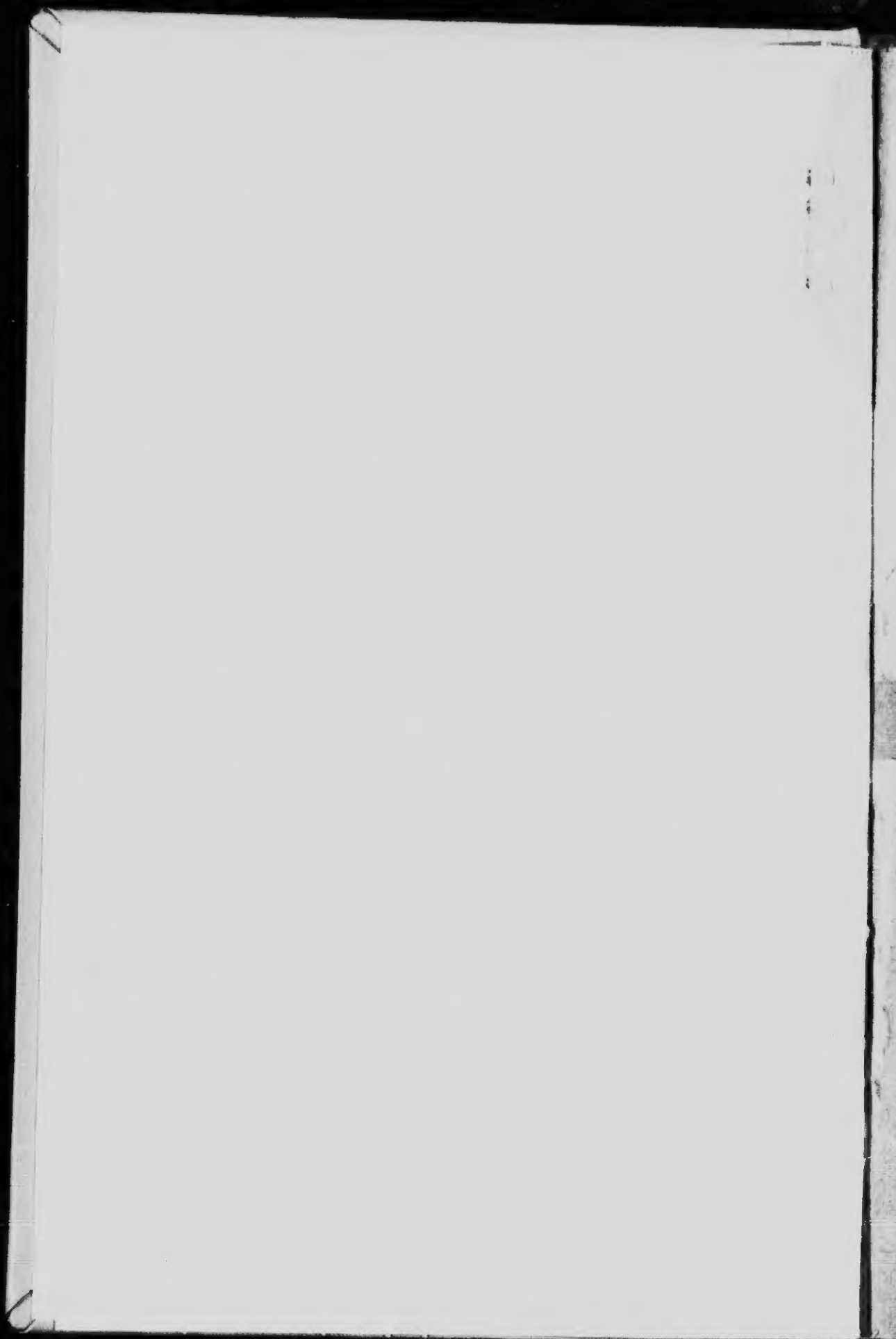
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A Review of
**Liberal
Administration**
1896 to 1911



Published by Central Information Office of the
Canadian Liberal Party
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 PUBLICATION No. 29

A Review of Liberal Administration 1896 to 1911

The aim of this publication is to set forth as briefly as possible the record of the Liberal party when in office from 1896.

We shall endeavour faithfully to portray the facts, and we believe we shall be able to prove that the Liberal party is well entitled to be described as the **REAL FOUNDERS OF CANADIAN PROSPERITY.**

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Condition of Canada in 1896

It is no exaggeration to state that in June, 1896, when the Liberal Government was formed, Canada had not found itself. For years national progress had been very slow, and there appeared to be an almost entire absence of the snap and vigorous aggressiveness usually characteristic of Canadians. Deficits were annually recorded in the national finances; our foreign trade was practically stationary; manufacturers were making no headway; the great North West was practically undeveloped; immigrants came to our shores in comparatively few numbers, but the most of them did not stay long, and what was worse, we were unable to retain our own people. As our boys grew to manhood they found little incentive for the exercise of their ambition, and they drifted by thousands and hundreds of thousands across the line. According to the United States census of 1901 no less than 1,181,255 of the population of that country were born in Canada. The Conservatives, then in office for a long time, had greatly lowered the standard of public life. Scandal after scandal, too numerous to mention, but still fresh no doubt in the memories of middle-aged men of the country, were unearthed. To cap the climax a disgraceful internal quarrel arose in the Cabinet which drew from Sir Mackenzie Bowell, the then Premier, the expression that he had been living in "a nest of traitors." This was the discouraging situation that had to be faced by the Liberal Ministers when they took charge of the administration of the country. How they measured up to the task will be seen as we proceed.

A STRONG CABINET.

The first and most wise step was the selection by Sir Wilfrid Laurier of the strongest possible colleagues to form his Cabinet. No abler body of men ever presided over the destinies of Canada—a fact admitted even by opponents. Take a look for a moment at the personnel. Sir Oliver Mowat, a tried and trusted servant of the people, for many years Premier of the Province of Ontario; Honourable W. S. Fielding, who for a decade was Premier of Nova Scotia; Honourable A. G. Blair, Premier of New Brunswick, and perhaps the ablest man that Province ever produced; Sir Richard Cartwright, a Liberal fighter of the highest rank and an unexcelled Parliamentarian; Honourable David Mills, a constitutional authority and a wise and profound, if not aggressive,

politician; Honourable Joseph I. Tarte, who next to Sir Wilfrid himself was the foremost man in public life from the Province of Quebec; Honourable William Paterson, a Parliamentarian of over twenty years standing, a magnificent debater and speaker, possessed of a profound knowledge of industrial needs and conditions; Sir Louis Davies, who undoubtedly represented the best thought of the Province of Prince Edward Island; Honourable Clifford Sifton, the most forceful and aggressive, perhaps of them all, with an intimate knowledge of the North West and a consuming ambition to develop it; Honourable James Sutherland possessed of all the shrewd characteristics of his race, whose counsel was considered by foe as well as friend to be nearly always sound. Then there was Sir Henri Joly de Lotbiniere a former Prime Minister of Quebec who was representative of all that is best and noblest in the French Canadian race; Honourable Sydney Fisher a political leader of the Eastern Townships for many years, with a first-hand knowledge of, and love for, farming; Sir William Mulock a tower of strength to any administrative body, strong, forceful and progressive he afterwards made his name ring through Canada by his achievements in the Post Office Department; Honourable R. W. Scott, the doyen of Canadian public life, skilled in the technique of legislation and wedded to the traditions of the country.

It was truly a great combination which instilled much needed confidence in the people. To form it Sir Wilfrid had to go outside the ranks of the man who had fought the battles of the party in Opposition in the Dominion House and who no doubt expected preferment. But the wisdom of his choice has never been questioned, and the record of his Government is the most ample justification of it.

TARIFF REFORM.

The Customs tariff, was properly, the first problem to be tackled, as it is the hub of the wheels of industry and commerce. The Liberal party had taken office upon a declared policy, to substitute for the Conservative tariff, a sound, fiscal policy, which while not doing injustice to any class would promote domestic and foreign trade and hasten the return of prosperity. They had also declared that the tariff should be reduced to the needs of honest, economical and efficient Government, that it should be so adjusted as to make free or bear as lightly as possible upon the necessities of life and should be so arranged as to permit freer trade with the whole world, particularly with Great Britain and the United States.

The first step taken by the Government was the eminently practical one of appointing a committee of its members to ascertain with exactitude the precise situation of all classes and sections of the country and their actual needs. No hole and corner methods were adopted by the committee, and there were no private

meetings between Ministers and manufacturers in the Windsor Hotel at Montreal. Everybody was invited to give expression to his views. To meet the convenience of the public, meetings were held in most of the principal cities and towns. Parenthetically we might here observe that different methods prevail to-day. The Conservative Government makes important and radical changes in the Customs tariff on the advice, almost solely, of a man who for years was the paid tariff expert of the Canadian Manufacturers Association. They evidently do not need to consult the people.

The result of the labours of the committee, and subsequent daily meetings of the Cabinet for months, was the promulgation of a tariff, which judged by the best possible test, actual results, created a revolution in the industrial life and activities of the country. Briefly stated the new tariff

1. Materially reduced the duties on many necessities and staple commodities used by consumers generally.

2. Placed on the free list certain articles of prime necessity to the farmer, the miner, fisherman and manufacturer.

3. Reduced the duties on iron and steel which constitute the staple raw materials for many industries; duties on other raw materials were also lowered.

4. Simplified the classification of articles for duty purposes and thereby assured more uniform administration.

5. Last but by no means least, gave a substantial preference to the products and manufactures of Great Britain over the rest of the world.

This Liberal tariff was the first serious attempt made in Canada towards equality of treatment and reconciliation of conflicting interests. No class or interest was singled out for undue favoritism. The needs of all were considered. Herein lies the difference between the Conservative and Liberal attitudes on the tariff. The formula of the Conservatives for tariff making always has been the simple one of giving protection to the manufacturer without reference to the rest of the community. The Liberals on the other hand believe in being fair all round and in distributing the burdens of taxation as much as possible. Consider the situation for a moment. We have five great sources of national wealth. The farm, forest, fisheries, mines and manufacturing industries, on the income of which we keep our national house. It will be obvious that the interests and needs of these various producing branches are not identical. They conflict in some instances very strongly. The farmer for instance has to pay higher prices for his articles of necessity and comfort by reason of customs duties imposed thereon, whereas the prices for his produce are largely determined in the markets of the world. The miner, too, could buy most of his supplies and machinery cheaper if they were free from duty. The fishermen, who are chiefly located in the Provinces forming the extreme boundaries of the Dominion, are unable to supply the markets in our principal

centres of population by reason of the great distance separating them therefrom, and are consequently obliged to export the bulk of their catch to foreign markets easier to reach, but where they have to encounter stiff competition. The lumberman also is affected by the tariff on his commodities. Manufacturing industries are an immense benefit to the country but not more so than the agricultural industries; indeed, if we take the population engaged and the capital invested in farming and ranching, the agricultural interests bulk greater in the national wealth. Everybody recognizes that manufacturing institutions are necessary to build up a great nation and acknowledges that it would be undesirable to devote our attention purely to pastoral pursuits. Most people admit, too, that a certain measure of State assistance to manufacturing is necessary. The question is largely one of degree.

The Liberal Government recognizing all these salient factors endeavoured to strike a fair balance and thereby promote the utmost development in all industrial pursuits. The principal thought in their minds was to provide the maximum of profitable labour for the people in all spheres of activity which surely is the truest and highest duty of statesmanship.

EXTENT REDUCTION OF TAXATION.

The extent of the reduction in taxation brought about by the tariff can be best arrived at by taking the average rate of customs duty imposed by the Conservatives during the last years they were in office and applying it to the imports, under the Liberal rule. In 1896, which was the last year of Conservative administration, \$18.28 was on the average collected on every \$100 worth of goods imported into the country. If the same rate had been collected during the time the Liberals were in office, instead of collecting duty to the amount of \$605,000,000 they would have collected \$685,000,000, so that there was an actual reduction of \$80,000,000 in fifteen years. This at the rate of about \$5,500,000 per annum. In addition to this saving one has to consider the reduced price of Canadian manufactures to the consumer by reason of the reduction in protection, because undoubtedly as a general rule, although not in every case, the selling prices of Canadian manufactures are based upon the amount of protection they enjoy.

Again there is the indirect saving to the people in reduced prices on foreign exports to Canada by reason of the operation of a British Preferential tariff. The United States exporters to Canada for instance, had to reduce their price to Canadian buyers to off-set the reduction in duties in favour of British goods. This is an undoubted fact which we will elaborate later on.

Another way of arriving at the extent of the reduction in taxation brought about by the Liberal Government is to take

the average rate of duty imposed by Conservatives during the eighteen years they were in office which was \$19.10 on every \$100 worth of goods imported into the country. If the same rate had been applied to the imports during the fifteen years from 1896 to 1911, the additional taxation which would have been imposed would have amounted to \$110,000,000, so that there was a saving to that extent to the people of the country.

BRITISH PREFERENCE.

Perhaps the most outstanding feature of the new tariff was the adoption of a preference in favour of British goods, and it was probably the most popular step ever taken by any Government in Canada. Judged by results, which we shall shortly specify, it has been highly beneficial alike to Canada, Great Britain and the Empire. This preference at first consisted of a reduction of 1-8 from the general tariff rates. A year or so afterwards the reduction was increased from 1-8 to 1-4 and later to 1-3. Subsequently the flat reduction of 1-3 was abandoned and a specific preferential rate provided for each item or article in the tariff. Such specific rate however on the whole averages a reduction of 1-3. The benefits of the preference were given not only to Great Britain but by successive steps to nearly all the British colonies.

Consider the practical results. Under the Conservative Administration British imports into Canada steadily declined as will be seen from the following figures:

1873.....	\$68,522,776
1883.....	\$52,052,465
1893.....	\$43,148,413
1897.....	\$29,412,188

At the rate the trade was declining the vanishing point was evidently in sight, and obviously something had to be done to ensure more purchases from the Motherland, our best customer for our natural products. In contra-distinction to the decline in imports from Great Britain our sales to her had steadily increased thus:

1873.....	\$38,743,848
1883.....	\$47,145,217
1893.....	\$64,080,493
1897.....	\$77,222,502

It was readily apparent even to a casual observer that on equal terms in tariff matters the United States would shortly capture most of the trade which Britain had with Canada. Contiguity of market which facilitates buying, selling and transportation, coupled with similarity in habits, tastes, fashions,

modes of living and methods of manufacturing undoubtedly gave the United States a great natural advantage in our markets as against the Motherland.

The preference granted by the Liberal Government was exactly the tonic that was necessary to stimulate British trade. From the moment it became law the trade started to boom and it has steadily and rapidly increased ever since, as the following figures prove:

1897.....	\$29,412,188
(last year prior to abolition of preference)	
1903.....	58,896,901
1908.....	94,959,471
1911.....	109,936,462
1913.....	138,761,568

We think it can be fairly argued from the foregoing facts that if the preference had not been granted in favour of British goods it is not at all likely that British trade would have assumed anything like the proportions shown by these figures. On the other hand the strong probability is that it would have kept on declining or at the best made slight progress.

But the increase in British imports was not the only beneficial result. The preference substantially reduced duties to the Canadian consumer on the most important staple commodities, and thereby implemented the pledge of the Liberal party to reduce taxation.

The Following is a Comparison of the Rates of Duty Under the Conservative Tariff of 1896, and Under the Liberal Tariff, on Certain Well-Known Articles.

ARTICLE	Conservative Tariff.	Liberal Tariff.		
		British Preferential Tariff.	Intermediate Tariff.	General Tariff.
Indian Corn.....	7½c. per bus.....	Free	Free	Free
Rape Seed, sowing.....	10%.....	Free	Free	Free
Seed Beans from Great Britain.....	15c. per bus.....	Free	Free	Free
Binder Twine.....	12½%.....	Free	Free	Free
Cordage.....	1¼c. per lb. and 10%, equivalent to from 28 to 35%.....	20%	22½%	25%
Books on the application of Science to Industries of all kinds.....	6c. per lb.....	Free	Free	Free
Books for the use of Mechanics' Institutes, Libraries of Universities, Colleges or Schools.....	6c. per lb.....	Free	Free	Free
Cream Separators.....	27½%.....	Free	Free	Free
Barbed Fencing Wire of iron or steel.....	¾c. per lb.....	Free	Free	Free
Galvanized Wire, iron or steel, 9, 12 and 13 gauge.....	25%.....	Free	Free	Free
Wire fencing, woven wire fencing of iron or steel.....	27½%.....	10%	12½%	15%
Wire of all kinds, n.o.p.....	25%.....	15%	17½%	20%
Ferment Cultures for Butter-making.....	Rates varying from 20% upwards	Free	Free	Free

The Following is a Comparison of the Rates of Duty Under the Conservative Tariff of 1896, and Under the Liberal Tariff, on Certain Well-Known Articles.

ARTICLE	Conservative Tariff.	British Preferential Tariff.	Intermediate Tariff.	Liberal Tariff.
Agricultural Imps.				
Farm, Road or Field Rollers.....	35%	15%	22½%	25%
Forks, pronged.....	35%	15%	20%	22½%
Hay Tedders.....	35%	15%	22½%	25%
Hay Loaders.....	35%	15%	22½%	25%
Potato Diggers.....	35%	15%	22½%	25%
Hoes.....	35%	15%	20%	22½%
Spades and Shovels.....	50c. per doa. and 25%, equivalent to about 38%			
Fanning Mills.....	35%	20%	30%	32½%
Grain Crushers.....	35%	15%	22½%	25%
Windmills.....	30%	15%	22½%	25%
Threshers and Separators.....	30%	12½%	17½%	20%
Fodder and Feed Cutters.....	30%	15%	17½%	20%
Mowing Machines, Harvesters and Reapers.....	35%	15%	22½%	25%
Stoves of all kinds.....	20%	12½%	17½%	17½%
Table Cutlery of all kinds.....	27½%	15%	22½%	25%
	32½%	20%	27½%	30%

Pumps.....	30%	15%	4-10c. lb.	25%	27½%
Locks.....	32½%	15%	15%	25%	27½%
Nails, wire of all kinds.....	1c. per lb.	15%	4-10c. lb.	25%	6-10c. lb.
Butts and Hinges.....	32½%	15%	15%	25%	27½%
Sleighs.....	30%	17½%	35c. per ton	22½%	25%
Coal, Bituminous.....	60c. per ton	11½c. per gal.	11½c. per gal.	45c. per ton	53c. per ton
Coal Oil.....	6c. per gal.	11½c. per gal.	11½c. per gal.	2½c. per gal.	2½c. per gal.
Lubricating Oil, composed wholly or in part of Petroleum.....	6c. per gal.	15%	15%	22½%	25%
Candles.....	30%	7½%	15%	12½%	15%
Common and Colourless Window Glass.....	20%	15%	15%	17½%	20%
Cotton Duck.....	25%	15%	15%	22½%	25%
Grey Cotton Fabrics.....	22½%	17½%	17½%	22½%	25%
Cotton Sheets.....	32½%	17½%	17½%	22½%	25%
Cotton Shirts, costing more than \$3 per doz.....	\$1 per doz. and 25% equivalent to 37% ad val.	If dyed, 25%	If dyed, 30%	If dyed, 32½%	If dyed, 32½%
Cotton Sewing Thread.....	25%	If undyed, 17½%	If undyed, 22½%	If undyed, 25%	If undyed, 25%
Cotton Fabrics, undyed.....	25%	17½%	22½%	25%	25%
Socks and Stockings.....	10c. per doz. prs. and 35%	17½%	22½%	25%	25%
Blankets.....	5c. per lb. and 25%	25%	32½%	35%	35%
	Equivalent to 39%	If wholly of pure wool, 22½%	30%	35%	35%
		If not of pure wool, 30%	35%	35%	35%
Woollen Socks and Stockings.....	10c. per doz. prs. and 35%	25%	32½%	35%	35%

The Following is a Comparison of the Rates of Duty Under the Conservative Tariff of 1896, and Under the Liberal Tariff, on Certain Well-Known Articles.

ARTICLE	Liberal Tariff.		
	Conservative Tariff.	British Preferential Tariff.	Intermediate Tariff. General Tariff.
Undershirts and Drawers.....	35%	22½%	30% 35%
Woollen Cloths.....	5c. per lb. and 25% Equivalent to ad val. duties ranging from 39% to 60%	30%	35% 35%
Flannels, plain.....	5c. per lb. & 25%	22½%	30% 35%
Wheat Flour.....	75c. per bbl.	40c. per bbl.	50c. per bbl. 60c. per bbl.
Rice, cleaned.....	1¼c. per lb.	50c. 100 lbs.	65c. 100 lbs. 75c. 100 lbs.
Oranges.....	Specific rates, equivalent to 15%	Free	Free Free
Wall Paper.....	Average rate, about 39%	22½%	32½% 35%
Head Ropes for fishermen.....	1¼c. per lb. and 10%	Free	Free Free
Refined Cotton Seed Oil, for canning fish.....	20%	Free	Free Free

Very many more items could be added to this list, but as it stands it conveys a fair idea of the character of the changes that have been made by the Liberal Government.
In the foregoing list no reference is made to articles used by manufacturers. A great many reductions were made in the duties on raw materials or semi-finished products used by manufacturers.

The reduced rates under the preference further operated greatly to the advantage of the Canadian consumer by reducing the prices of goods imported from other countries not entitled to the benefit of the preference. The foreign exporter to Canada had to reduce his prices to off-set the reduction in favour of British goods. Let us cite an illustration on this point. Suppose you are a wholesaler and need certain goods which are produced, of equal standard, in both Great Britain and the United States. You know if you import from the United States you will have to pay duty at the rate of 35% on the value of the goods, whereas if you import from Great Britain you have to pay duty at the rate of only 23 1-3%. Would you under these circumstances be at all likely to give your order to the United States manufacturer or tradesman unless he reduced his prices to such an extent as to make up the difference between the two rates of duty?

Although no law was passed in Great Britain giving Canadian produce preferential terms over those of other countries, there is no doubt that a natural preference was given to them by the British people, who are nothing if not grateful. The granting of the preference undoubtedly created a most friendly feeling in the Mother Country towards Canada, and the beneficial sentimental effect operated to our advantage in trade.

The preference further operated to bring about the denunciation by the British Government of the Belgium and German treaties which for a time stood in the way of preferential trade with the Mother Country. It will always stand to the credit of Canada that it blazed the trail to the Empire in preferential trade. New Zealand, South Africa, Australia, British Guiana, and the West Indies and other colonies followed their example. If ever the great idea of an Imperial preferential tariff embracing all the units of the Empire, including Great Britain is realized it will be a direct result flowing from the action of the Canadian Liberal party.

CONSERVATIVE ATTITUDE ON PREFERENCE.

Permit us to advert now to a consideration of the policy and record of the Conservatives on the preferential trade question. Although the burning of Parliament Buildings and the pelting of a Governor-General, representative of the King, with malodorous eggs, stands to the discredit of Conservatives, they have always as a party made a great parade and show of their loyalty. If we wish to be more frank we might almost say loyalty has been their profession. At what is irreverently termed flag-flapping they are undoubtedly adepts. The professional politician in their ranks is always on the look-out for an opportunity to wave the emblem which should be sacred to higher causes. No one can dispute these statements. They are absolutely true. We cite them merely to argue therefrom that from a party with such professions great achievements in the direction of Empire building

and solidification might have been expected. Surely it was only natural to expect that they would view with the greatest possible alarm the decline of British trade with Canada almost to the point of extinguishment and take immediate steps to remedy the conditions. What does history show?

It proves that the Conservatives became embittered to the point almost of disloyalty at the action of the British Government in 1846 in withdrawing the preference given to Canada in the British markets. This withdrawal was the direct result of the Repeal of the Corn Laws in Great Britain. We quote the following extract from a resolution of remonstrance moved by the Tory party in the Canadian Parliament at that time.

"It is much to be feared that should the inhabitants of Canada from the withdrawal of all preference on its staple products find that they can not successfully compete with their neighbors of the United States in the markets open to them, they will naturally and of necessity begin to doubt whether remaining a portion of the British Empire will be of that paramount advantage which they have found it hitherto to be."

Mr. Gladstone then Colonial Secretary answered this Tory resolution in the following dignified and impressive way.

"It will be a source of the greatest pain to Her Majesty's Government if they should share in the impression that the connection between that country and Canada derived its forces from the exchange of commercial preference only. That might be a relation consisting of the exchange not of benefits but of burdens. Her Majesty's Government hoped that the connection rested upon a firmer basis, upon resemblance, in origin, laws and manners and what inwardly binds men and women together as well as in the close association of material interests which interests however they felt would be advanced by commercial freedom. The people of Canada could not desire that the market for their farm produce should be maintained by means of a perpetual tax upon the people of England."

The attitude of the Liberals at that time was in harmony with its attitude ever since. They said "let the Mother Country do what is best in her own interests and we will do what we consider best in ours, and their course will not in the least affect our loyalty."

Two years afterwards some of the distinguished leaders of the Conservative party in the City of Montreal emphasized their views by issuing the famous Annexation (to the United States) Manifesto of 1848. The situation brought about by the Tory bitterness was then very critical, and it was only saved by Lord

Elgin negotiating a Treaty of reciprocity with the United States which was gladly welcomed by the Tories of that day.

In the early '90's the subject of preferential trade became a live one in Canadian politics, when the Conservative party took the decided position that a preference should not be granted to Great Britain unless she gave us a preference in her markets. This position was crystalized in a resolution moved in the House of Commons in 1892 by Mr. McNeil, a Conservative member in the following language:

"Resolved that if and when the Parliament of Great Britain and Ireland admits Canadian produce to the markets of the United Kingdom upon more favourable terms than it accords to the produce of foreign countries, the Parliament of Canada will be prepared to afford corresponding advantages by the reduction in the duties it imposes upon British manufactured goods."

To that motion an amendment was made by Honourable L. H. Davies, Liberal member, which read as follows:

"Inasmuch as Great Britain admits the produce of Canada into her ports free of duty this House is of the opinion that the present scale of duties exacted on goods mainly imported from Great Britain should be reduced."

The motion was carried and the amendment defeated. Every Liberal voted for the amendment and every Conservative for the motion.

The introduction of the preferential tariff by the Liberal Government was met by statements more or less contradictory from Conservatives that it was a myth, a sham, a fraud on the British people, a danger and menace to manufacturing industries, the thin edge of the wedge to destroy protection, a bungle and so on ad nauseam.

After a few years of this talk the Liberals put them to the test by introducing the following resolution in Parliament moved by Dr. Russell the Liberal member for Halifax:

"That this House regards the principal of British Preference and the Canadian customs tariff as one which in its application has already resulted and will in an increasing measure continue to result in material benefit to the Mother Country and Canada and which has already aided in welding, and must still more firmly weld together the ties which now binds them, and desires to express its emphatic approval of such British preference being granted by the Parliament of Canada."

From Parliament the Conservative Opposition to the Preference was carried to the hustings. In the general election of 1900, Sir Charles Tupper and his party bitterly attacked the Liberal Administration upon the ground that the preference should not have been granted without an equivalent preference or advantage.

By that vote in Parliament and by their attitude outside of it, the Conservative party declared themselves against the preference to British goods which was hailed with the utmost enthusiasm by the British public, press and Parliament, and was warmly welcomed and commended by Her Majesty's Government who described it as "A measure which cannot fail to result in material benefit to the Mother Country and to Canada and to weld still more closely the ties which now unit them." They declared themselves against the policy which had been of untold benefit to Canada, which materially raised the status of the country among the Nations of the world, which was a boon to the consumer, and which was declared by leading public men and newspapers in Great Britain to be the most important step theretofore taken towards the unification of the Empire. In a word they were recreant to their loud voiced professions.

After a long debate the vote was taken and the Conservative party unanimously voted against the resolution.

Before closing this branch of the subject we would particularly refer to another striking indication of Sir Wilfrid's ever keen desire to promote trade within the Empire. At the Imperial Conference of 1911 he introduced and succeeded in passing a resolution to provide for the appointment of an Imperial Trade Commission to consist of representatives of the Mother Country and of the self-governing Dominions. The work of the Commission as outlined by Sir Wilfrid was to investigate the natural resources and the trade possibilities of the Empire and to consider and report upon the lines along which trade could be most advantageously developed and stimulated between the different portions of the Empire. This resolution was cordially welcomed by the Right Honourable Mr. Asquith, Premier of Great Britain and was immediately acted upon. The Commission appointed has been at work ever since and is expected to submit its report in 1915. Speaking of this resolution Sir Joseph Ward, Prime Minister of New Zealand, said:

"If the representatives of the Dominion gathered from all parts of the Empire had done nothing else but pass this one resolution providing for the creation of this Commission, the Imperial Conference would have been well worth while."

TARIFF SUPPORTED BY SOUND BUSINESS POLICY.

Having dealt with the preference feature of the tariff we will now resume the consideration of the general subject. Well as they believe they had wrought in the creation of their tariff,

the Liberal Government were not content. They knew that a great deal more was needed to bring about a betterment of conditions. They felt that the most vigorous and progressive measures were necessary to put Canada in its proper place on the map of the industrial world, and to afford scope for the exercise of the natural ambition of its people. They realized that the farmer could not be benefitted much by protective duties on his produce, but they saw that they could benefit him by enlarging the means, and cheapening the cost, of transportation and they devoted their best energies towards improving and extending transportation facilities all over the country. They saw also that the manufacturer could be benefitted by enlarging the home market, and they instituted an aggressive immigration policy which developed the great North West in a marvellous way. Step by step in the most vigorous manner and without let-up the great work of building surely and strongly was undertaken, and concurrent with it the country grew more and more prosperous.

The finances were so handled as to show a substantial surplus each year instead of the era of deficits in Conservative days.

The great canal system of the country was rushed to completion.

The Crows Nest Pass Railway was built, thereby facilitating the development of the immense mineral resources of interior British Columbia—in the Kootenay District.

The Intercolonial Railway which had its Western terminus in what was then a comparatively small town, namely Levis, was badly handicapped in securing traffic from the West, and was extended to Montreal, the commercial metropolis of the country.

Later on the construction of the Transcontinental Railway was entered upon and was well on towards completion when the Liberals went out of Office in 1911.

By means of Government guarantees and subsidies a third Transcontinental Railway, the Canadian Northern Railway was made possible.

Immigrants to the number of nearly 2,000,000 were brought into the country in fifteen years, a large number of whom went on the land resulting in a magnificent development of the West and North-West.

Free land grants to railways were discontinued and the public lands were reserved for the actual settlers.

Ocean ports, harbours and rivers were vastly improved. A 30-foot clear channel was provided in the St. Lawrence from Montreal to Quebec.

Postal rates were reduced substantially, and the Money Order system simplified and extended.

Free Rural mail delivery was established.

Canal and steam boat duties were abolished in the interest of promoting cheap transportation by water.

A Railway Commission was appointed which admittedly was one of the best pieces of constructive legislation ever adopted in

Canada. That Commission became practically the master of the railways.

A Labour Department was created which has done splendid work in averting and settling strikes.

Agriculture was aided in a hundred and one ways.

Col storage facilities of an excellent character were provided for the products of the farm and fisheries.

Commercial agents were appointed in the principal countries of the world.

A Canadian Mint was established.

The resources of the country were splendidly exhibited at every Exposition held through the world.

From time to time the tariff was modified to meet changed conditions, and in 1907 a complete revision was made, again by a committee of the Ministers, after consulting with the people.

The French Treaty was extended so as to comprise our principal productions instead of as formerly only a few articles of comparatively trifling importance.

A treaty was entered into with Japan whereby we got most favoured nation treatment in that country.

As a result of our institution of preferential trade we got a preference in New Zealand. As a direct benefit from this the British Columbia fishermen captured the import trade of that country.

An intermediate tariff was established as a standing invitation to other countries to reciprocate in trade, and Holland, Belgium and Italy were admitted to the benefits of that tariff for corresponding advantages given to us.

Through the efforts of the Liberal Minister of Agriculture the vexatious quarantine regulations that existed for some years between the United States and Canada were abolished.

A sur-tax was imposed upon Germany by way of retaliation for Canadian products being placed on the maximum tariff of Germany.

To prevent the slaughtering of manufactured goods in the Canadian market a law known as the Anti-Dumping Act was passed, which effectively operates against such unfair trade warfare.

A Commission of Conservation was appointed, the object being to conserve our natural resources and to disseminate full information in regard to them.

Dominion Government securities were placed on the favoured trustee list of Great Britain.

An assay office was established at Vancouver which materially aided in retaining our Yukon trade.

Substantial financial assistance was given towards the construction of a Pacific cable. Canada bearing its full share of this expenditure.

Throughout the career of the Liberal Government the revenues were bouyant notwithstanding considerable decreased

taxation and the financial situation was always of the best.

In a word the men at the helm knew their business and attended to it, in a thoroughly workmanlike manner. Their successive acts of genuine constructive statesmanship along practical lines filled the people with hope, and made them gird up their loins for supreme individual efforts in industrial life. The wisdom of our legislation and administration and its accompanying prosperity of the people attracted the attention of the whole world, particularly the Mother Country, and started a flow of much needed capital to develop our great natural resources, a flow which went on unceasingly throughout the Liberal regime, increasing and increasing all the time as our needs were made manifest. Canada was then the favorite investment field of the Empire.

Under the Liberals a new Canada arose. The country found itself and for the first time realized its immense possibilities. It was an era of the full dinner pail; the first golden age in Canada's history. Every legitimate industry from the Atlantic to the Pacific, speaking generally, prospered. Manufacturing institutions were enlarged and enlarged again and again to meet the demands. The farmers shared in the prosperity probably better than any others. The price of farm products increased materially and the home market was greatly extended, the results being seen in the increase in farm land values and a more rapid payment in full of farm mortgages than ever before. The much deplored exodus under the Tory regime was practically stopped. The young Canadian found Canada quite good enough for him.

Perhaps the best testimonial to the Liberal Government's policy that was ever given was contained in the speech from the throne on November 11th, 1911. The Conservative Government then only a month or so in Office put the following words in the mouth of His Excellency, the Governor-General:

"It affords me great pleasure to congratulate you upon the continued and increasing prosperity of the country. Our trade both with the British and foreign countries is rapidly extending and there is every prospect that its volume in the present year will be largely in excess of that attained at any time in the past."

Hon. Mr. White in his first Budget speech delivered on March 13, 1912, testifies as follows:

It will, as I have said before, be gratifying to all that the material prosperity with which we have been so highly favoured still continues to be our portion. Despite the serious vicissitudes through which the western wheat crop has passed and the unusual heat experienced in the province of Ontario during the past summer, the field crops of Canada show a bountiful yield and with the high prices prevailing for practically all its products the great basic industry of

agriculture continues in a flourishing condition. Almost every department of trade and commerce shows expansion. Our mines are wonderfully productive. Our coast fisheries, notably the Atlantic, have enjoyed a good catch and high prices. Our manufacturers are thriving and new industries are springing up throughout the whole Dominion. Railway construction, especially in the west, proceeds apace, preparing a way for settlement in districts not yet opened up and for trade with markets than we now enjoy. Our increased bank deposits, clearings and circulation, the amount of public and private building evidenced in municipal and business structures, extensions to the country, all attest that the general prosperity of Canada at the present time is very great.

Our Dominion continues to be the land of promise to the home seeker. During the last year, as before shown, our immigration from Europe and the United States reached an average of nearly a thousand a day bringing their capital, their intelligence, their energy to assist in the great task of developing the resources of Canada and building up her nationality. Much has been said in the past with which I am in accord as to the selection of immigration as far as possible with an eye to the quality and character of our future citizenship. Notwithstanding the large stream of immigration, labour conditions are good and extreme poverty, from any reason other than incapacity or direct misfortune, is hardly known.

Under the favourable conditions which I have described, and with every prospect of their continuance, the future of Canada looks bright indeed. In the enjoyment of peace, plenty and prosperity her energetic, loyal and patriotic people look forward with hope and expectation to an ever great and greater future.

The foregoing statements have undoubtedly a roseate hue, but not more so than the actual facts warrant. We invite you to give your close attention to the following brief comparative statistical record of the development of the country from 1878 to 1896 under the Conservatives and from 1896 to 1911 under the Liberals, which we confidently submit, practically proves up to the hilt every statement that we have made.

PROGRESS OF CANADA.

	Conservative Rule 1878		1896	1901	Liberal Rule. 1906		1911
Population.....	4,078,924		5,086,061	5,403,000	6,171,000		7,158,000
Deposits in Chartered Gov't. & Savings Banks	\$ 79,197,512		\$245,029,143	\$ 390,949,482	\$ 626,079,334		\$ 968,183,879
Assets Chartered Banks	\$175,473,086		\$228,338,219	\$ 417,320,761	\$ 698,714,302		\$1,101,875,234
Fire Insurance in force	\$409,899,710		\$845,574,352	\$1,038,687,619	\$1,443,902,244		\$2,279,868,346
Mineral Metallic production.....	10,221,255		22,474,256	65,804,611	79,286,697		103,220,994
Letters posted.....	44,000,000		116,028,000	191,650,000	323,644,000		504,233,000
Railway Miles in Operation.....	6,626		16,270	18,140	21,353		25,400
Gross Earnings Railways.....	\$ 20,520,078		\$ 31,545,569	\$ 72,898,749	\$ 125,322,865		\$ 188,733,494
Tonnage Vessels Entered and Cleared.....	\$ 23,102,551		\$ 49,302,226	\$ 60,474,604	\$ 81,056,234		\$ 114,057,479
Total Exports Canadian Produce.....	\$ 67,989,800		\$109,707,805	\$177,431,386	\$ 235,483,956		\$ 274,316,553
Total Exports Mineral Produce.....	\$ 2,816,347		\$ 8,059,650	\$ 40,367,683	\$ 35,469,631		\$ 42,787,561
Total Exports Fisheries Produce.....	\$ 6,853,975		\$ 11,077,767	\$ 10,720,352	\$ 16,025,840		\$ 15,675,544
Total Exports Forest Produce.....	\$ 19,511,575		\$ 27,175,686	\$ 30,009,857	\$ 38,824,170		\$ 45,439,057
Total Exports Animal Produce.....	\$ 14,019,857		\$ 36,507,641	\$ 55,494,311	\$ 66,455,960		\$ 52,244,174
Total Exports Agriculture Produce.....	\$ 18,008,754		\$ 14,083,361	\$ 24,781,486	\$ 54,062,337		\$ 82,601,284
Total Exports Manufactured Produce.....	\$ 4,127,755		\$ 9,365,384	\$ 16,012,208	\$ 24,561,112		\$ 35,283,118

GROWTH OF MANUFACTURING INDUSTRIES.

	1890	1900	1910
Capital invested....	\$331,635,499	\$446,916,487	\$1,247,583,609
Salaries and wages	79,234,311	113,283,602	241,008,416
Value of Products	368,696,723	418,053,375	1,165,975,639

Analyse these figures and you will find that in the last year of the Conservative long eighteen-year reign, the deposits of the people in the Chartered and Savings Banks amounted to only \$49.00 per head. Five years later in 1901 they had gone up to \$70.00 per head, in another five years to \$105.00 per head, and in the last five years of Liberal rule to \$135.00 per head.

Railway earnings nearly quadrupled.

Fire insurance about trebled, showing tremendous building activity.

Letters posted increased about five times in fifteen years proving wonderful development in business.

Exports Canadian Produce increased from \$109,000,000 to \$274,000,000, indicating great advance in all sources of production.

Then look at the manufacturers. Notwithstanding the wail of the Conservatives that the Liberal tariff would be the ruin of the manufacturing industries of the country, and that everything would go to the "bow wows," note the wonderful development that has taken place. Might it not be pertinent for us to ask some of our manufacturing friends whether in the face of this showing they are justified in their persistent hostility to the Liberal Party.

It always annoys Conservatives very much to have the record of development of Canada while Liberals were in office compared with the record during their long 18-year term of office. Their favorite argument in reply is that the prosperity is (to quote Sir Robert Borden, Page 51, Hansard (1911-12) "Not due to him (Sir Wilfrid Laurier) or to any measure whether administrative or legislative that he has given to this country, but is due to the wonderful resources of this Dominion, and to the splendid capacity of the people of Canada in developing these resources."

Sir Robert can argue like a school boy and talk like a parrot at times, and this was one of them. We feel that an apology is almost necessary for venturing a reply. True it is that without good natural resources and individual energy and ability in developing them, the country would not be prosperous, but in the name of common sense what are Governments for if not to administer and legislate towards lubricating the wheels of commerce, lightening the burdens of taxation and helping as far as

possible to provide the maximum amount of profitable labour for the whole people, which is admittedly the highest aim of statesmanship. If the Liberal Government did not measure up well in these respects, why is it they were returned to power at three successive general elections, spread over a period of 12 years, by ever increasing majorities.

We do not consider it necessary to recount the almost innumerable practical steps taken by the Liberal Government to induce prosperity, the direct beneficial results from which can be proved conclusively to any reasonable man. Steps like the reduction of customs duties, the British preference, the reduction of postal rates, the extension of transportation facilities, creation of railway commission, progressive immigration policy, the development of the West. One has only to mention these few acts of the Liberal Government to make Sir Robert Borden appear like a neophyte. But we would ask him why did Canada stagnate and practically go to rot under the Conservatives? Why did over one million of our native born leave for the United States during the Conservative regime? We had our wonderful natural resources then and the same individual capacity for handling them. Why! Why!

The Liberals do not claim credit for all the prosperity the country has enjoyed. They merely assert that their administrative and legislative acts contributed towards it, and the facts compared with the Conservative record bear that out. The next time you speak on this subject Sir Robert please try to show less partisanship.

ATTITUDE OF CONSERVATIVES.

Throughout all the great period of Liberal construction—of Canada in the making—what was the attitude of the Conservative party. Was it fair, was it decently just, or at all sympathetic? Never! Bitter, and in many instances coarse, stupid, and blind opposition was made to almost every progressive measure. When the tariff was introduced it aroused a storm of protest from them. The old Roman, Sir Charles Tupper, then Leader of the Conservative party, delivered himself of the following pitiful wail which has become historic:

"The result is that this tariff goes into operation and the honourable gentleman knows that the industries of this country are already paralyzed, while honourable members gloat over the destruction of Canadian industries. I was reading the wail, the sorrowful wail of these industries in the Montreal Gazette where one manufacturer after another declared that these industries were ruined, that their mills must close, and that they saw staring them in the face, a return of the deplorable state of things that existed when the honourable gentleman who last addressed the House

was in charge of the fiscal policy of this country. I say that a deeper wrong was never inflicted upon Canada.

"I feel that so far from rejoicing at it from party standpoint, I deplore from the bottom of my heart the ruin that is going to be inflicted upon the best interests of Canada, and upon its great industries. While I unhesitatingly say that from a party point of view the honourable gentlemen are doing our work. They are showing to the people of this country that no reliance can be placed upon the most solemn declaration that they make, either in the House or out of it; they are showing the people of this country that having attained power, which was all they wished for, they are now prepared to abuse that power at a cost of the sacrifice of the industries of Canada."

The concessions given to the farmer in the shape of free binder twine, barbed wire and other fencing wire, Indian corn, cream separators, etc., were denounced as destructive of the principle of protection which would result in the wiping out of large industries. It was declared that in its operation the preferential tariff would be most injurious to our manufacturers.

As the years went on and the Liberal tariff was proved by actual results to be the best tariff that Canada had ever had, the Conservatives were at their wits end to know what attitude to adopt, and they jumped about from pillar to post in the most bewildering way. At one time they gravely contended that the National Policy had been retained by the Liberals and that was the real reason why the country was so prosperous. Shortly afterwards we find them introducing resolutions in Parliament such as the following in the session of 1903.

"Moved that this House regarding the operation of the present tariff as unsatisfactory, is of opinion that this country requires a declared policy of such adequate protection to its labour, agricultural production, manufactures and industries as will at all times secure the Canadian market for Canadians."

A similar resolution was introduced in 1902. Speaking on this resolution Mr. Rufus H. Pope, Conservative member now in the Senate said:

"The resolution that I would have preferred would be a resolution for a Chinese wall all round."

Mr. Blain, the Conservative member for Peel, during the same session used this language:

"I hold that the tariff should be so arranged that every institution in this country which is manufacturing goods to

be consumed by the Canadian people, should have sufficient protection to keep out the same class of goods made in any foreign country; and I have no hesitation in saying that if that country should be England, the policy of Canada should be framed in the interests of the Canadian taxpayer as against the people who are producing the same class of goods even in the Old Country under the same flag."

(See page 1499 Hansard 1902).

Mr. Henderson, the old Conservative war horse from Halton, is quoted on page 2384, Hansard 1902 thus:

"It was said in the early days of the present tariff that the Liberals had stolen our clothes. I have never said so and I do not consider that they have done anything of the kind. I am only sorry that they did not, for it would have been better for the country if they had. Their tariff is instead just the antipodes of ours."

In 1907 Mr. Borden, then the Leader of the Conservatives inserted the following vague and meaningless plank in what is known as his Halifax platform:

"A fiscal policy which will promote the production within Canada of all useful articles and commodities that can be advantageously produced or manufactured from or by means of our natural resources, having due regard to the interests of the consumer as well as to the just claims of our wage earning population."

Liberal Progressive Measures Described

We shall now deal at length with the various progressive steps taken by the Liberal Government to promote the welfare of the people.

CANAL SYSTEM RAPIDLY COMPLETED.

One of the first steps taken was the work of completing the improvements on the great canal system of the country from Lake Superior to Montreal. When the Liberals took Office they found that the Conservatives had dawdled over this national work, and that at the Conservative rate of progress, it would not be completed for ten years or more. Realizing what a great advantage the improved system would be to the country generally orders were given to rush the job with the result that by 1900, a clear channel of 14 ft. was provided from Lake Superior to Montreal.

TRANSPORTATION.

The many problems connected with Transportation were among the first to which the Liberal Government directed special attention. They fully recognized that in this country of such magnificent distances it was vitally necessary to provide in the interests of producers the best possible transportation facilities. In no better way than that can the farmer be helped. They also had a full appreciation of the fact that the geographical situation of Canada gave it a great advantage in the grain carrying trade of the continent. With both these objects well in view, the Government adopted a bold progressive policy, which they had steadily followed, with magnificent results.

Though much has been done, much still remains to be done, and if the Liberal Government had been allowed to complete its plans, before many years rolled by the large bulk of the grain carrying trade of the American Continent would go through Canadian channels to the old countries.

The work accomplished by the Liberals may be summarized as follows:

(1) The St. Lawrence Canal System, which, under the Conservatives, was progressing very, very slowly, was rushed to completion, and by 1900 a clear channel of 14 feet was available from the Great Lakes to Ocean Ports in Canada.

(2) Special and energetic attention was directed towards improving conditions of:

(a) Harbours on Lake Superior, where the Western grain is delivered by railways and transhipped.

(b) Harbours in Georgian Bay and Lake Huron at Tiffin, Victoria Harbour, Midland and Goderich.

(c) The lines of route between Ontario and Montreal.

(d) The harbours, Montreal, Que., and St. John, N.B., for receiving, storing and shipment for ocean voyages.

(e) The ship channel between Montreal and Quebec to the sea.

(f) Extension of the Government Telegraph System down the St. Lawrence.

Aids to navigation in the shape of lighthouses, range lights, fog horns and alarms, and lightships were provided at hundreds of places. In this connection Canada was very much behind the age in 1896. To-day other countries recognize that Canada is in the van of progress in Marine Lighting.

Montreal, with the improvements that have been made, and those designed, will very shortly be one of the most modern ports in the world.

The St. Lawrence Channel is to-day a riverway along which the largest boats of the Canadian lines can navigate with security.

Western Grain, which had been coming through American ports, is now coming through Montreal in ever increasing quantities, and the ports of New York and Buffalo are becoming alarmed at the formidable competition for which Montreal is responsible.

In this connection the following striking admission was made by "The Mail and Empire," the chief Conservative organ, in an editorial published September 2nd, 1908:

"In shipping circles at New York and other North Atlantic ports of the United States, envy, and something like panic have been produced by the steady set of the outward wheat forwarded to Montreal. During the past three months the Canadian port has received more wheat from the interior than have all its rivals of the United States put together."

Both the Grand Trunk Railway Company and the Canadian Pacific Railway Company connected their main lines to Montreal and specially graded roads from the Georgian Bay ports so as to more speedily tranship and transmit the grain.

RAILWAY POLICY

The vigorous and enlightened railway policy adopted by the Liberal Government was one of the great contributing causes of the prosperity which the country enjoyed. It is impossible to deal properly with it within the limits of this pamphlet, so it has been deemed advisable to publish a special pamphlet on the subject, to which we would respectfully refer the reader.

POSTAGE RATES REDUCED.

Liberals justifiably point with a great deal of pride to their administration of the Post Office Department.

When Sir Wm. Mulock took hold of it in June, 1896, mismanagement was written all over it. For eight years prior thereto there were deficits in its financial operations averaging over \$700,000 per annum. For the year ended June 3rd, 1896, the deficit was \$781,152.

In his budget speech of that year the Hon. Geo. Eulas Foster, then Finance Minister, said:

"There is now a deficit of nearly \$800,000 between the total receipts and the total expenditure of our post office service and this, I fear, makes the time somewhat distant when what otherwise, might be fairly asked for can be granted, that is a reduction upon the postage rates in this country."

In the first year of his administration the Liberal Postmaster General, by the application of honest business principles and of a driving force theretofore sadly lacking, reduced the deficit to \$586,000 and in the next year to \$47,000 whereupon he promptly reduced the domestic letter postage from 3 to 2 cents per ounce, and the letter rate between Canada and the Mother Country and a large number of Britain's colonial possessions from 5 cents to 2 cents per halfounce.

Sir Charles Tupper then leader of the Conservative party said these reductions would mean a deficit of a million dollars a year in the Department.

Sir Wm. Mulock, however had a firmer belief in the future of Canada and a far greater courage. He predicted that the effect of making postage cheap would be to augment very largely the volume of the country's correspondence—and he was right. Within a few years after the reductions went into operation a small surplus, \$5,109 was shown in 1902. Each year thereafter it steadily and greatly increased as the following figures show.

1903.....	\$ 292,654
1904.....	304,784
1905.....	490,725
1906.....	1,011,765
1907.....	1,082,171
1908.....	1,101,957
1909.....	809,237
1910.....	748,210
1911.....	1,192,730

It will be noted that the surplus fell off a little in 1909 and 1910. This was due to the introduction by the Liberal Government of one of the greatest boons the farming community of Canada has ever had, namely, free rural delivery which has been wonderfully developed as every farmer knows.

From time to time further reductions in postal rates were made, namely:

Drop letters in cities from 2 to 1 cent. The letter rate between Canada and Great Britain and most of the British possessions was reduced from 2 cents per half ounce to 2 cents per ounce. This rate is less than any of the rates for similar services in Europe or the United States.

MONEY ORDER BUSINESS IMMENSELY IMPROVED AND INCREASED.

The Liberal Government did not stop and shake hands with themselves after giving the great boons of cheap postage to the public. They kept on reforming and doing things. Special attention was directed to the money order branch of the Department. It was found that the business in this branch was in a stationary condition, the increase in the six years from 1890 to 1896 under the Conservatives being only 9%. The trouble appeared to be that the Post Office means of remitting money suffered from the competition of the express companies and the banks, to which competition the Conservative Government were indifferent or perhaps they were afraid to offend. Realizing that this branch of the Post Office Department was a great public advantage, the Liberal Administration promptly took steps to bring it up to the highest point of efficiency. To this end the number of money order offices was greatly increased. A careful study was made of the charges for money orders and by reduction and readjustment the rates were put on a footing much more attractive to the public. Then a system of postal notes was adopted whereby the sum of 20 cents to \$10.00 can be remitted to any place in Canada or United States at a nominal cost and with all reasonable safety.

Look now to results. The money order and postal note business for the year 1911 was \$92,872,074, as compared with \$18,081,860 in 1896. This is an increase of 610%. But the increased volume of business great as it was, by no means indicated the total benefit to the public arising from the wise administration of the money order and postal note systems. The Department instead of being swamped by the energy of its rivals set the pace for them and forced both the express companies and the banks to lower their rates and extend their accommodations to the public in order to meet the competition of the Post Office.

PACIFIC CABLE ADDED.

Substantial financial assistance was given towards the construction of the Pacific cable, that great Imperial project which has been for many years an accomplished work. Canada bore its full share of its expenditure.

FURTHER PUBLIC SAFEGUARDS IN RAILWAY MATTERS.

The Laurier Government further safeguarded the general public interest by providing in connection with the granting of railway subsidies:

(1) For absolute control over rates and tolls of any of the subsidized railways.

(2) For the granting by the government of running powers and traffic arrangements to all railways connecting with the particular subsidized railways, and entailing equal mileage rates between all such connecting roads.

CANADA MINT.

Along about 1907 the Government completed the construction of a Canadian mint of the most up to date and substantial character for the production of silver, copper and gold coins. The building and equipment of this mint was a great step forward for Canada, adding immensely to our dignity as a nation as well as being a source of profit.

COLD STORAGE FOR FISHERMEN.

A system for cold storage for bait was arranged whereby sea fishermen are enabled to get fresh bait all the year round.

BINDER TWINE INSPECTION.

A drastic law was passed preventing frauds on the farmers in regard to binder twine and an inspector was appointed to enforce it. The result of the inspection work has been that many binder twine manufacturers were penalized for selling poor and short twine.

RE PAYMENT OF CUSTOMS DUTIES IN GREAT BRITAIN ARRANGED FOR.

Arrangements were made in 1902 whereby Canadian customs duties on postal parcels can be prepaid at postal offices throughout Great Britain. This is a great convenience to British settlers in Western Canada and it removes a great deal of friction. Parents in England who want to send out gifts to their sons who are making homes for themselves in Canada, can do so without being subject to the embarrassment of feeling that the boys have to pay customs duty on this side.

CIVIL SERVICE REFORM.

One of the most important administrative reforms adopted by the Liberal Government was the provision made in 1907 for the creation of a Civil Service commission to have control over all appointments and promotions in the Civil Service at headquarters at Ottawa. The Act bringing the commission into being provided that thereafter all appointments and promotions to the civil service staff would only be made after a competitive examination in which those who excelled would receive the reward of merit. By this means political influence in appointments and promotions was largely eliminated. The work done by the Civil Service Commission under the efficient leadership and management of that accomplished gentleman, Professor Short has undoubtedly greatly tended to increase the standards and efficiency of the Civil Service. Perhaps one of the best evidences that the work has been good is that the Commission has been brought sharply into conflict with politicians from time to time.

LIBERALS AND LABOUR.

We believe it is a truism that the Liberal party in Canada as in England, has always been closer to, and more in sympathy with, the views and aspirations of the great mass of the people. This is well illustrated in the relations between Liberalism and Labour. The record shows that the Liberal Government in office from 1896-1911 worked earnestly and sincerely towards the amelioration and betterment of the conditions of the labouring classes.

Prior to 1896 labour had been scarcely recognized in any practical way in Dominion Government circles. It is true the old Conservative Government in 1886 appointed a Commission to deal with the subject of relations of labour and capital, the result of the workings of which, after an expenditure of \$81,000, was a recommendation that a Bureau of Labour for the Dominion was urgently needed. An Act was passed shortly before the elections of 1891 establishing a Bureau of Labour Statistics, but the Conservatives went out of office five years later without having established the Bureau.

An investigating Commission appointed by the Conservatives prior to the elections of 1896 to inquire into an allegation of sweating reported that there did not appear to be any sweating system in operation in Canada.

One of the first steps taken by the Liberals was to reopen this investigation when it was found that in practically all the clothing contracts that had been executed for the Government during the preceding ten years, a system of sub-contracting prevailed which had resulted in sweating in its extreme form. Prompt action was taken to remedy the evil by sweeping it out of existence. What is known as the Fair Wage policy was adopted in all Government contracts let thereafter. Provision was made that employees engaged thereon would get a fair day's wage for a fair day's work, the rate of wage being the current wage of the district paid for similar work. Inspectors were also appointed to see that these provisions of the contracts were observed by contractors. In contracts for example for the uniforms of soldiers and post office mail carriers provision was made that the work shall be performed in places that comply with sanitary regulations, that no less than a certain wage, which would be the current wage, would be paid to any of the men or women engaged upon the work and that the hours of labour would not be excessive. Before contractors received a contract they were obliged to furnish a statement of the rates of wages and hours of labour and other conditions governing the employment of their employees, and these conditions were first submitted to the Department of Labour for its approval.

This Fair Wage policy be it noted, applies to Government contracts of all kinds. As a matter of fact a schedule of the wages required to be paid was attached to each contract. The

Department of Labour investigated hundreds of claims of working men for wages alleged to be due in accordance with this schedule, and in a large number of cases compelled the payment by contractors of amounts to which the men were entitled, but which they might not otherwise have received. In some cases where the contractors refused to make payment, the Department which awarded the contract, made payment itself and deducted the amount from the sum coming to the contractor under his contract.

A Department of Labour was established in 1900 equipped with a staff of experts resident at Ottawa with correspondents in practically every city in the Dominion, so that it was kept in touch with the conditions of labour in all parts of the country.

Following the creation of the Department the publication of a monthly Labour Gazette was entered upon. This publication contains matter only of special interest to working men and their employees, such as:

The substance of all legislation affecting labour.

The nature, causes and results, as well as the principal features of strikes and lockouts in the Dominion.

Tables giving the current rates of wages in the several trades in the principal localities from the Atlantic to the Pacific.

Tables showing comparative cost of living in different parts of the country.

Special articles on the industries of the country.

The records of the number of accidents sustained by workmen.

Decisions of courts affecting labour.

The extent of the trade union development in Canada, the number of labour unions, localities where situated, date of formation, etc.

This Gazette was given a wide circulation upwards of 12,000 copies being issued monthly.

A Conciliation Act was passed at the instance of the Government appointing the Department of Labour a conciliator to endeavour to effect a settlement of industrial disputes whenever an appeal was made to the Department by either of the parties interested.

As a consequence of this legislation and the effective administration of the Act by the Department some of the largest and most threatening strikes of the Dominion were settled, through the intervention of the Department.

During the session of 1903 the Minister of Labour introduced into Parliament an Act which subsequently became law and which provided for the settlement of disputes on railways, in the first place by conciliation and in the event of failure, providing for compulsory investigation by an investigating board.

Later, what is now known as the Lemieux Act was passed to aid in the prevention, as well as in the settlement of strikes or lockout in all industries connected with public utilities. Under that Act an investigation must take place before a strike or lockout in such industry is declared. Since the passage of the Act settlements were arrived at without strikes in about fifty cases.

ALIEN LABOUR LAW.

The first alien labour law enacted in Canada was passed by the Liberal Administration. As first enacted it required the consent of the Attorney General of the Dominion before any action could be brought for a violation of its provisions. In response, however, to a general feeling on the part of working men that the law should be amended in such a way as to place its enforcement in their hands, an amendment was passed enabling any person to bring action of his own accord where he believed that the provisions of the Act has been violated, and in order that no loss might be sustained by the person bringing the action where it was rightly brought, a provision of the Act specified that as much as 50% of the fines imposed on convictions might be paid to the original informant.

TAX ON CHINESE.

One of the most serious problems with which labour in Canada and more particularly the labour of the West, was confronted, was the severe competition resulting from Mongolian immigration. In order that the interests of the white working classes might be protected in this connection, the Government appointed a Royal Commission to investigate fully the past results and possible future effects of that immigration, and as a result of the Commission's report enacted legislation which was calculated to have the effect of removing any serious harm to Canadian labour from that source. A poll tax of \$500 was placed on all Chinese entering the Dominion.

Other measures in the interests of Labour may be briefly summarized as follows:

An Act was passed to prevent immigrants being induced by fraudulent representations to come to Canada. As a consequence of representations from the Liberal Government in Canada a similar law was enacted in the Imperial Parliament to prevent immigrants from Britain being induced by fraudulent representations to come to Canada.

Important labour commissions were appointed to investigate matters of immediate concern to labour. For example a Commission to inquire into the conditions under which the Bell Telephone employees were obliged to work

and which resulted in reduction of hours and other improvements.

Through the good offices of the Liberal Minister of Labour, Hon. Rodolphe Lemieux, an arrangement was made with Japan limiting the number of Japanese immigrants to Canada and reducing it to nominal figures.

ACTIVITY IN THE TRADE AND COMMERCE DEPARTMENT.

The Conservatives did very little to promote the interests of Canadian commerce in other countries. The most they did was to appoint about 4 or 5 Trade Representatives, only one of whom was of the first rank. These Representatives reported at odd intervals to the Department in a perfunctory way, and without method or supervision. Their reports were published by the Department in a Quarterly Report, and by the time of publication the information was in most cases valueless to business men.

Under the Liberals, the Trade Commissioners were increased to 18 in all, of the first rank, located in the following countries:

Great Britain,
Australia,
British West Indies,
China,
France,
Japan,
Mexico,
Newfoundland,
South Africa,
Norway.

The frequent reports made by these Commissioners, which are of a practical business-like character, are published in a Weekly Report by the Department widely disseminated, without charge, to manufacturers and business men throughout the Dominion.

A system of obtaining trade enquiries from all quarters of the world and communicating them to Canadian business men, was also established by the Liberals.

The Department also procured full and accurate information regarding the Customs Tariffs of other countries, and, therefore, placed itself in a position to be of valuable service to Canadian business men.

GERMAN SURTAX.

It will not we think, be amiss at this time to direct special attention to an attempt once made by the Kaiser and his counsellors to

bully Canada—an attempt which, however, failed, thanks to the courage and ingenuity of the Liberal Government. The circumstances were these. When the Government introduced in its tariff of 1897, the principle of a preference in favour of the goods of the Mother Country, it was found that by reason of the application of certain British treaties that such preference would have to be given also to Germany and Belgium. That was, of course, contrary to the intention of the Government; they were willing to give Great Britain a preference but no reason whatever existed why they should admit, without a *quid pro quo*, the wares of Germany and Belgium to preferential treatment. Lord Salisbury, then Prime Minister of England upon being appealed to by Canada promptly repealed the treaties which stood in the way of our carrying out our intention. The Kaiser threatened and fumed, claiming, forsooth, that Canada, a daughter of the Empire, could not grant a favour in trade to her Mother Country without giving it also to Germany. Our Government, however, stood by its guns with the result that they were intimidated by an ukase of the German Government placing Canadian products on the maximum tariff of Germany. When it is explained that the difference between the minimum or ordinary customs tariff and the maximum tariff of Germany is so substantial as to amount almost to a penalty, the extent of the Kaiser's bullying can be correctly apprehended. We assume that the subsequent "butcher of Belgium" imagined that we were not strong enough to resist that sort of treatment of our trade, and that we would go on our knees to him for better terms, but he mistook the calibre of the men then administering the affairs of Canada. At first an earnest and friendly effort was made by the Liberal Government to get the German authorities to take a more reasonable view, but that proving without avail, retaliation was resorted to, a stiff surtax of one-third the ordinary customs duty being imposed, that is to say, all goods thereafter imported from Germany had to pay one-third more customs duties than goods imported from any other foreign country, and 100% more duty than goods imported from Great Britain. It was an excellent Canadian Roland for the German Oliver and it effectually cooked the German goose. Under the operation of the surtax imports from Germany, which had steadily decreased for years, were cut in two in a very short time as the following figures show:

IMPORTS FROM GERMANY.

1903 (year before surtax)	\$12,282,637
1904	8,175,604
1905	6,695,414
1906	6,987,314
1907	5,474,908

The effect of the blow to German trade was best evidenced by the strenuous efforts made unceasingly for years to get the

surtax withdrawn. Incidentally the imposition of the surtax in conjunction with the preference in favour of British goods operated greatly to the advantage of British trade with Canada. Germany had succeeded in taking a considerable amount of trade away from Great Britain in our markets, and, on equal terms, she gave every indication of being a very strenuous and formidable competitor of British manufacturers in Canada. The crushing burden of the surtax against her, and the preference in favour of British trade practically put an end to the rivalry of the two countries, for our trade in the most important lines of goods. Germany could not possibly stand up against the handicap.

Thus we see another illustration of the failure of the German to win his point by stupidity and bulldozing methods.

CANADIAN SECURITIES FAVOURED.

In Great Britain individuals or companies acting as trustees of moneys bequeathed or left for the benefit of widows and children and others, are required by law to invest such moneys only in certain classes of securities approved by law. These securities are of the highest class in point of safety, and, by reason of that, they usually command a higher price in the money market than securities not on the favoured trustee list.

For many years prior to 1896 the then Conservative Government tried very hard through their High Commissioner in London, Sir Charles Tupper, Bart. to get the Canadian Government securities included in the list but without success. The truth probably is that their maladministration had brought Canada into bad repute in England with consequent reflection against the value of our securities.

The following extracts which appeared in British newspaper along about 1892 relative to the exposure of political scandals under the Tories show that the Tories had done much to ruin our reputation:

The London Times: "Here in the Mother Country there can be only one feeling, that of deep regret for the wrong done to the fair fame of the eldest of her daughters."

London Graphic: "It is no longer possible to doubt that corruption in its worst form is rampant in a large portion of the Canadian civil service."

London Telegraph: "Enough, unfortunately, is already known in England to make it clear that only the most resolute and drastic purification can redeem public life in Canada from the taint of corruption, the like of which we have not seen in our own country for hundreds of years."

Birmingham Gazette: "Rascals out of Office defraud the public in order to bribe rascals in Office, and rascals in Office prostitute themselves, sacrifice their honor and forsake their trust in order to keep on good terms with the rascals out of Office."

London Echo: "No country can prosper where public departments are in league with fraudulent contractors."

and where Ministers are open to offers."

St. James Gazette: "The existence of an organized system of corruption among public officials in Canada has been conclusively proved, and like everything else on the American continent the bribery has been colossal."

The Graphic Despatch: "The secret of Sir John MacDonald's electoral victories is out. On this side of the water surprise has often been expressed at the patience with which our Canadian cousins submitted to the Tory protectionist rule of that prince of political intriguers. There is now, alas, no difficulty in explaining that curious situation. Sir John's government rested on a stupendous and all-prevailing system of bribery and corruption. Even Tammany Hall smells sweet and clean in comparison with the huge stink-pot of Sir John's government."

The Liberals by restoring the confidence of the world in Canada, by its practical exhibition of good will and loyalty to the Mother Country through the adoption of the preferential tariff, and by putting Canada on the map of the world, so to speak, succeeded where the Conservatives failed, our Dominion government securities being placed on the favoured trustee list in 1898. That constituted a marked advance in the standard of Canadian credit, and, without doubt it operated to the material advantage of other Canadian securities placed on the London financial market.

ANTI-DUMPING LAW.

The granting of protection to Canadian manufacturers by imposing customs duty on articles he manufactures, does not necessarily mean that he enjoys that protection to the full all the time. His manufacturing opponents in other countries are incessantly on the alert to overcome his advantage. There are a number of ways of doing that. For instance by fraudulent invoices, false as to value, description of the goods or otherwise, and also by smuggling. The vigilance of Canadian customs officers and the application of the punitive clauses of the Customs law can defeat these schemes in most cases, but, until the Liberal Government solved the problem, Canadian manufacturers suffered quite seriously from the slaughter or dumping of goods at low prices from foreign countries on this market.

The evidence was overwhelming that for years in certain lines of goods manufacturers large and small, but principally large, in the United States, made it a practice to use Canada as a dumping ground for their surplus goods accumulated through dull times in their own country, over production or mistakes in their calculations as to the demands of their home trade. The Customs Law of Canada did not cover such cases entirely. It provided for the payment of duty on the fair market value of the imported goods as sold for consumption in the United States, but that did not go far enough, as the amount of the reduced prices went to

offset the Canadian customs duty, and to the extent to which it did, the protection of the Canadian manufacturer was reduced.

The Liberal Government properly took the position that as they with the approval of Parliament had concluded that in a revenue tariff incidental protection was afforded to manufacturers it was their duty to see that that ratio was secured to them, so they passed what is known as the Anti-Dumping Law which provides that where goods of a class made in Canada are sold from abroad to Canada at a price below the price at which similar goods are sold for use in the country of export to Canada, the difference between the two prices is constituted a special duty to be paid in addition to the ordinary duty. This effectively stopped dumping, and it removed the well founded grievances of the manufacturing classes of the community.

TRUSTS AND COMBINES.

In the year 1897 which was the year of the revolution in tariff matters, the Government gave its earnest attention to the question of restraining trusts and combinations from operating unfairly, and to this end they enacted legislation giving them the power to mete out drastic treatment to any such offenders against fair business principles.

The law provided in effect that any trust or combination found guilty of unduly enhancing the price of any article or by any other way unduly promoting the advantage of the manufacturer or dealer at the expense of the consumer, could be punished by reducing or removing entirely the rate of customs duty on the article in question.

This law could be brought into operation on complaint of anyone giving reasonable ground for belief.

In two notable instances, not to mention others specifically, inquiry was instituted by the Government and action taken namely:

In 1902 it was established by a Royal Commission that a combination existed in the paper making trade of the country under the operation of which prices were unduly enhanced, and the Government accordingly reduced the duty on printing paper from 25 to 15%.

A law was also passed drastically restraining the monopolistic practices in Canada of the American Bank Company.

IMMIGRATION.

Every business man and man of affairs in Canada realizes that one of the principal causes for the astonishing progress the country made from 1897 onwards for many years was the development of the great agricultural heritage of the West and North West, and it is but simple justice to the Liberal party to state that it is entitled to the credit for it. The Liberals in fact made the West.

The results of the Conservative attempt to populate our Western country was described by a Western Conservative newspaper in the early '90's in the following graphic language:

"The trails from Manitoba to the States were worn bare and brown by the waggon wheels of departing settlers."

There was little exaggeration in that—picturesque, though the language is. During the last five years of Conservative rule only a little over 100,000 immigrants were brought into Canada from other countries, most of whom went away again. It is a notable fact too that we could not keep our own people. The United States census showed that over 1,000,000 of the population of that country were born in Canada.

Take another illustration. It is a lamentable fact that only 23,000 homestead entries were made in the West during the last seven years of Conservative Administration.

Not only did the Conservatives neglect immigration work in foreign countries, but absolute indifference was shown with respect to the immigrants who did come to Canada. In short they had not grasped the situation fully and their administration was weak and ineffective. They made apparently no effort whatever to please the settler.

Hon. Clifford Sifton, who was appointed as Minister of the Interior, under the Liberal Government, started off his career with the advantage of having a first class working knowledge of the West and its conditions, grievances, and requirements, and he addressed himself with unexcelled vigor, force of character and driving power to revolutionize the conditions of things generally. Settlers, more settlers, and still more settlers was his cry, which he drilled into the energetic officers whom he appointed to carry on his immigration propaganda in the United States and most of the European countries. Soon a stream of immigrants commenced to flow, and all through the 15 years of Liberal rule it kept on increasing and increasing until at the end no less than about 400,000 were annually brought into the country, most of whom went on the land. The total immigration during these 15 years amounted to 1,886,529. Homestead entries to the number of 351,530 were recorded.

But Mr. Sifton did not stop at bringing the immigrants in. By legislation and departmental regulation and his own decisions as Minister he took the greatest pains to see that the immigrants were properly taken care of when they arrived and went on the land, so that they got a good start in their new sphere of activity. Every effort was made to make the new comers, as well as the old timers, perfectly satisfied and contented. Some of these efforts may be enumerated as follows:

1. The practice of giving large free grants of arable land as bonuses to railways, was stopped, and all the public land fit for settlement was reserved for the actual settler. In this connection

also land speculation, which was rife under the Conservatives, was stopped.

2. Homestead laws were simplified and made more reasonable and liberal. Thus:

(a). A settler who had acquired the right to a second homestead was permitted to perform the residence duties connected with the second homestead by living in the first homestead, instead of being compelled as formerly to erect another house and live on the second homestead.

(b). A settler was allowed to perform residence duties in connection with a homestead by living with his father and mother if they occupied farms in the vicinity.

(c). All charges for inspection of homesteads were abolished.

(d). The official rate of interest was reduced from six to five per cent.

(e). The entry fee for homesteads of 80 acres or less was reduced from \$10.00 to \$5.00.

(f). To meet the convenience of persons living at a distance from the land Office special Dominion agents were appointed in many districts, thus saving the settler the time and expense involved in a long trip to the main office.

(g). The terms for payment for school land which were one-fifth down and the balance in four annual instalments with interest, were changed to provide for payment in ten annual instalments.

(h). Provision was made that no permits to cut hay on unoccupied land would be issued to any persons, not actual farmers until the latter had been supplied.

(i). Settlers not having a supply of timber on their land were granted permits to cut dry timber upon unoccupied land to the extent required by them for use on their farms for fuel and fencing.

(j). In 1885 the Conservative Government made seed grain advances to many settlers in the North West on account of failure of crops, and as against this advance they not only took the personal securities of the applicant for seed, but also compelled him to furnish two bondsmen as security. These liens were then recorded against the land, not only of the person who got the seed, but also against the land of those who acted as bondsmen. This proved for many years a great source of inconvenience and annoyance to the bondsmen as they were unable to get patents for their lands without first paying the seed grain indebtedness of the neighbor for whom they were surety. A law was therefore passed on the initiative of Mr. Sifton providing that only lands of these who secured the seed were to be held against the advances. The bondsmen's lands were relieved in all cases.

(k). Cancelled time sales were made available for settlement. This action was taken as respects a large area of land which had been sold between 1880 and 1883 by the Conservatives upon which only one or two payments had been made by the purchasers, and the Government had taken no action towards compelling

payment of the balance. These lands, were of course, simply held for speculation. The result of the action of the Liberal Government in cancelling these time sales has been the settlement of a large area of land which otherwise would have been vacant.

Then again, as has previously been explained the customs tariff was considerably modified and reduced in the interests of the farming community.

Notable changes in the tariff were as follows:

Indian corn, binder twine, barbed fencing wire, galvanized fencing wire, cream separators were placed on the free list; substantial reductions were made in the duties on agricultural implements and machinery, stoves, axes and all the hand tools, coal oil, etc. Through the operation of the preferential tariff duties on the principal staples articles of use by the farmer were reduced by one-third.

An enlightened and liberal policy of railway building was adopted by the Government, the idea being to provide the best possible transportation facilities.

Experimental farms were established at different places.

We do not consider it will be necessary to enumerate the various steps taken by the Liberal Government in carrying on its campaign of immigration. Suffice it to say that the magnificent results were obtained to the great advantage of the whole country.

The development of that Western country gave a new stimulus to enterprises throughout the whole country. Every section of Canada felt the benefit of it. The manufacturers of the East were hard put to it to keep pace with the new and ever growing demands for their products. Railways that had previously been just managing to get along, notably the Canadian Pacific Railway, became highly prosperous, and more and more railways had to be built to cope with the traffic. Towns and cities in the West developed tremendously. In short the country became a household word and attracted the attention of the new home seekers throughout the world.

The following figures showing the development which took place under the Liberals are instructive:

POPULATION.

	1881	1891	1901	1911
Manitoba.....	62,260	152,506	255,211	455,614
Alberta			73,022	374,663
Saskatchewan.....			91,279	492,432

Note.—In the census of 1891 and also 1881 the population of Alberta and Saskatchewan was classified under the North West Territories and were as follows: 1881, 56,446; 1891, 98, 967.

	1881	1891	1901	1911
Winnipeg.....	7,985	25,639	42,340	136,085
Calgary.....	3,876	4,392		43,704
Edmonton.....			2,626	24,900
Regina.....			2,249	30,213
Brandon.....		3,778	5,620	13,839

Area of wheat, oats and barley in the West.

1900
6,982,829 acres

1911
29,252,468 acres

AGRICULTURAL DEPARTMENT UNDER LIBERALS.

**A Record of Great Activity. Splendid Results
Achieved for the Farmers by a Minister
Skilled in the Highest Science of
Farming.**

In no Department of the Government was more progressive, intelligent and genuinely good work performed than in the Department of Agriculture. In the Conservative days this Department was presided over for a number of years by a lawyer and for a time by a brewer. The Liberal Minister, the Hon. S. A. Fisher, who held the Portfolio continuously from 1896, is a practical farmer. He had made a special study of the science of farming, and brought to his duties a remarkable store of knowledge, courage and ambition. He has had the best interests of the farmers completely at heart.

It would be a long story to tell everything he did to promote the agricultural interests. We will content ourselves with a brief summarization:

FARMING CONDITIONS UNDER THE CONSERVATIVES.

It will be remembered that before 1896 the value of rural property was very low. Farmers found it difficult to dispose of their farms although their business was in such a state as to tempt them to do so. The profits of farming then were almost nothing. The draft from the country to the city was great, and in those days the course lay to the cities of the United States, and the best young blood of Canada was helping to build up our rival. Then the agricultural exports of the United States largely dominated the English market, because they had better means of transportation to the market, and a better reputation in it. Canadian farm products, with the exception of cheese, were hardly known as such in the English market. Australia and New Zealand had efficient mechanical cold storage, placing their perishable food products on the English market in good condition, notwithstanding seven thousand miles of voyage through the tropics. Canadian butter, cheese, fruits and meats were carelessly handled

by the shipping companies without supervision, and there was no proper accommodation on the ships to prevent injury to them.

In 1896 sales of Canadian cattle were almost impossible. The embargo in England prevented our store cattle going into that market; the quarantine arrangements prevented our young cattle and dairy stock being admitted to the United States. In the depressed condition of our own agricultural and our own home market there was no sale for these in Canada. The farmers were going out of the breeding of horses, because there was no market for them anywhere. By the enterprise of our Ontario dairymen, Canada, under the difficulties as to transportation, was sending to England a considerable amount of cheese of fair quality which she was selling at a fair price. No progress had been made in the trade in butter, and as a matter of fact much less butter was exported in the ten years previous to 1896, than there was in the ten years before that date.

In the ten years 1877-86, total exports of butter	
were	\$22,706,860
In next ten years 1887-96, total exports of butter	
were	8,250,088
Decrease	\$14,456,272

In sharp contrast to the Conservative period (1887-1896) is the ten years under Liberal Government (1897-1906), when the butter exports amounted to.....\$46,599,783

This failure under the preceding Conservative administration was due to the fact that in their day our butter had to be forwarded in common freight cars, and in stowage on the vessels, and in England had to meet the competition of American and Australian butter delivered on the English market by means of well equipped and up-to-date cold storage transport.

Similarly, under these adverse conditions, there was a very small export of bacon and hams, the production of which is a natural adjunct of the dairy industry. The total export of bacon and hams was in the ten years ending 30th of June, 1896, only \$17,671,000, as against \$115,000,000 in the ten years ending 30th June, 1906.

Contrast the state of affairs previous to 1896, with the condition of our farming business brought about by the Liberal Government. We have now a complete equipment of cold storage transportation for our perishable food products. The mechanical cold storage in the ships from Canada to Great Britain is the most modern and best in the world. Our refrigerator car system, started and helped by the Government, provides perfect condition of carriage from the interior to the ship's side. Refrigeration at the creameries and local stores through the country has been encouraged and stimulated. There is a complete systematic supervision of the handling of Canada food products and their transit from the point of production to the steamer in England, resulting in very careful handling and proper stowage

with a complete system of checking which keeps the transportation companies up to the mark, and prevents that damage to these delicate products, which in the old days was one of the chief reasons for their bad reputation in the English market. The result has been that our goods are placed before the English consumer in their original prime quality, and have made a reputation which has brought about the splendid increased prices so evident during the last few years, and has occasioned a ready sale of everything we have to send there.

CHEESE INDUSTRY FOSTERED AND STIMULATED.

The cheese trade of Canada has always been a large interest. In the old days, it progressed under difficulties by the private enterprise of the Ontario factorymen with the help of the Provincial Government. Now, the trade has expanded over a large portion of Canada, and increased, in the twelve years ending June 30th, 1906, \$120,178,904, the total export for the twelve years ending 30th June, 1896, being \$127,611,428 against \$247,790,332 for the twelve years ending 30th June, 1908. This is due to improvement in factory education along the lines of better curing-rooms and methods, and assistance in the discovery of, causes of defects; to improved facilities in the transportation, and to the increased knowledge spread in the British market of Canadian methods and Canadian goods. A revolution in the curing of cheese was brought about by the large experiments conducted by the Department in cool-curing. The full effects of these have not yet been attained. The finances of the various factories have not enabled them to make the necessary changes everywhere, but a distinct impression on the British market has been made by the cool-curing cheese, and the high price in the last few years of all Canadian cheese is undoubtedly due to the greatly improved quality of this cool-cured cheese. When all the factories of Canada adopt this method, there is no doubt that the result will be an actual increase in the market value in Great Britain of all Canadian cheese.

BUTTER.

The exports of butter for the first twelve years under Liberal rule amounted to 259,655,911 lbs., as compared with 57,247,699 lbs. for the last twelve years under Conservative administration.

The butter industry has also made great progress. Here, the results in the export trade do not indicate so completely the improvement. Canada is not a cheese-eating country. Any increase in the cheese production or quality is shown at once in the export. Canada, is however, a large butter-eating country, and the improvement in the butter production, due to the spread of knowledge and better methods and better handling of the cows, is found more on the tables of the Canadian people than in the

export figures. Still, our butter export has largely increased of late years.

There is no doubt that the improved cold storage transportation is largely the cause of the splendid increase in the butter trade. It is, however, also noticeable that wherever one goes to-day in Canada good butter is placed before them in homes or on hotel tables, which is largely due to the instruction given by the Federal Department, as well as the Local Departments of Agriculture in the different Provinces. A great awakening has undoubtedly taken place among the farmers, especially in the Provinces of Ontario and Quebec, and in the butter trade this is more evident than in cheese.

The following figures, taken from the last Census report, show, for the whole of Canada, and especially for the Provinces of Ontario and Quebec, a very rapid expansion in the production of butter and cheese during the ten years from 1891 to 1901. The Census takes into account only the creameries and cheese factories, without giving data for each separately, and gives data for four ten-year periods—1881, 1891, 1901, and 1911.

	1881	1891	1901	1911
Ontario.....	\$4,880,558	\$ 7,569,338	\$14,968,822	\$18,148,629
Quebec.....	863,803	2,981,527	12,874,367	16,156,986
All Canada.	5,805,932	10,697,879	29,462,402	37,232,969

BUTTER MAKING IN THE WEST.

Butter-making in creameries had been a failure under Conservative rule in the Northwest Territories. Mr. Fisher, after inquiry, believed that the failure was due to improper management and he determined to make butter-making a success in that part of the country. The disused creameries there were taken over and run by the Department on a system by which after a few years they became self-sustaining. They were then returned to private enterprise.

The Province of Alberta has now one of the best established butter-making industries on the continent, which constitutes an additional attraction to the incoming settlers and is indeed proof of the varied opportunities for successful farming in that great province.

In a minor degree in some localities in Saskatchewan the same thing was accomplished.

REMOVAL OF QUARANTINE AGAINST CANADIAN CATTLE IN THE UNITED STATES.

The removal of the quarantine between Canada and the United States in February, 1897, accomplished by a week's visit of the Minister of Agriculture to Washington in December, 1896,

caused an immediate outflow of our surplus cattle into the United States. The Conservative Government had been trying to remove this obstacle to our trade. The farmers of Canada had been grumbling at being debarred from the American market, when they knew there was there an eager demand at good prices for the young Canadian cattle which were practically unsaleable in Canada at any price. The difficulty was not a question of duties or prices, but was the insurmountable obstacle of a ninety days detention at the frontier for quarantine purposes. The absurdity of this arrangement was evidenced by the fact that there was no disease on either side of the line, and yet the American stock man, eager to buy, could not come into business relations with the Canadian stock man, eager to sell. The Tory Government, either through ignorance, inertness, or inefficiency pleaded that nothing could be done. The Liberal Government sent to Washington the Liberal Minister of Agriculture, who, in a couple of days' business talk, removed the obstacle. The result was that the glutted market in Canada was relieved, the price of all horned cattle advanced greatly, and from that day to this the market for cattle in Canada has been a good one.

For five years immediately following the abolition of the quarantine the export was enormous. From 3,737 head, worth \$64,216, in the five years ending 30th June, 1896, the exports rose in the succeeding five years, ending June, 1901, to 339,970 head, valued at \$5,339,000. The average value paid per head in 1896 was only \$5.40 against \$19.27 in 1901. Thereafter, up to the present date a much better class of cattle were exported to the United States, as shown by the average export price in 1906, which was \$40.00 per head—the 4,726 netting \$206,000. In 1907 the export price was not less than \$58.00 per head, 9,071 head exported in that year being valued at a total of \$530,000.

During the last few years prior to 1911 owing to the enlightened policy of the Government with reference to immigration and agriculture, the rush of immigrants into Canada, the rapid settlement of the Northwest and the revival of confidence in our own agriculture have occasioned such a demand for cattle in Canada that the exports of these animals to the United States was not necessary or indeed advisable. At the same time the improved markets in England attracted a constantly increasing number of finished cattle to the British market, and our farmers, with free corn, provided by this Government, to finish their cattle, with improved methods due to constant experimenting and to the issuing of information and assistance by the Department of Agriculture through the Live Stock Branch, are induced to export the finished article to Great Britain rather than the store animal to the United States. This progress in the live stock industry was started by the relief of our live stock markets, brought about in 1897 by the removal of the quarantine restrictions between Canada and the United States. This progress was continued

and stimulated by the following among many other useful measures introduced by the Liberal Government.

LIVE STOCK INDUSTRY FURTHER PROMOTED.

Mr. Fisher and his Department were most active in promoting the live stock industry in the country. In addition to securing the removal of the quarantine in the United States against Canadian cattle the following steps were taken by him:

(1) The appointment in 1899 of a Live Stock Commissioner, to deal with the varied interests of live stock production and management in Canada.

(2) The re-organization of the Veterinary Branch of the Department involving the appointment of Dr. J. G. Rutherford as Veterinary Director General with offices at Ottawa. Also needed amendment to Contagious Disease Act.

(3) Passing of the Meat Inspection Law and its judicious enforcement, the more effectively to prevent our meats from being shut out from England and other foreign markets, which now insist upon a rigid inspection against the introduction of disease.

(4) The stamping out of hog cholera in Western Ontario, where it had, until recently, been alarming prevalent.

(5) The inauguration of auction sales of pure bread stock, to disseminate widely among farmers the best types of animals for profitable results.

(6) The introduction of and aid to cow testing associations, to enable farmers to proceed intelligently to a systematic weeding out of their unprofitable animals, and the retaining of good performers only.

(7) The holding of several series of lectures all over Canada attended by the experts of the Agricultural Department disseminating the best available information by this means and by means of reports and bulletins widely distributed.

BACON INDUSTRY.

Another matter connected with the live stock interests, and which received a great deal of careful attention, is the bacon industry.

When about to proceed to England, 1898, Mr. Fisher was advised that some complaint had been made of the quality of Canadian bacon, many of the sides being soft. When in England he and Professor Robertson met the handlers of our Canadian bacon and examined into the complaints. Though the situation was not found to be so alarming as was said, it was evident that in some instances our bacon was not up to the mark. An elaborate system of experiments was started, feeding pigs with different kinds of food and under different conditions and with different

methods, while chemistry was called in to make careful analysis of the different specimens of bacon at its different stages. Reports of results of these experiments were published and disseminated among the feeders of pigs and makers of bacon and there is no doubt that the valuable information therein contained, which has been followed, has contributed largely towards the decided decrease in the amount of soft bacon exported. The reputation of our bacon has also been greatly enhanced with recent years in the British market. Our trade in bacon has advanced at an extraordinarily rapid rate to the extent that not less than 1,284,546,996 lbs. of bacon and hams were exported during the last 12 years as compared with 207,303,186 lbs. during the previous 12 years.

EXPERIMENTAL FARMS DEVELOPED.

Under Mr. Fisher the practical usefulness of the Dominion Experimental Farm was very greatly increased. Starting with the very great advantage which the Conservative Ministers of Agriculture did not have, of knowing the farming business thoroughly, he, in the time he was in office, made the Experimental Farm system one of the best aids to agriculture on the American continent.

Here are some of the things that were done:

The appointment in 1899 of Mr. J. H. Grisdale as Agriculturist was followed by the setting apart of 200 acres to be worked as a dairy farm. Ever after a steady improvement in appearance and productivity was noticed.

For five years a systematic five year rotation was followed, and the results were very marked indeed. Placing the same value on the different products in each case, the returns in 1899 were valued at \$2,776.64, which returns had increased in 1905 to \$5,714.32, showing the tremendous advantage of following good rotation in growing suitable crops. During recent years further change was introduced and some twelve different rotations were experimented with, to obtain for the farmers some exact data as to the comparative value of these different rotations.

In live stock the progress was equally remarkable. At the start, in 1899, 36 cattle were kept for the full year, and about 30 extra head during the winter; whereas in 1906, 110 cattle were kept the full year and 40 extra head during the winter.

In 1901 and subsequently, four herds of pure bred cattle were introduced, namely, Shorthorns, Ayrshires, Guernseys and Canadians. These herds made very great progress, so that they compare favourably with the best herds found in the Dominion, although they must necessarily be smaller than are the herds of some of the larger breeders. A large number of Leicester and Shropshire sheep, and of Yorkshire, Berkshire and Tamworth bacon hogs were also purchased, so that visiting farmers can find typical specimens of the highest class.

Particular attention might be invited to the splendid herd of Canadian cattle, a breed which has been wonderfully advertised and helped through the medium of the Central Experimental Farm, where one of the choicest—if not the choicest—collection of animals in this class is to be found.

A great deal was done also in the dissemination of pure bred stock from this Farm. - Every year many bulls of the breeds mentioned and many bacon pigs of Yorkshire, Berkshire and Tamworth breeds, both male and female, as well as quite a number pure bred sheep were sent to different parts of Canada. The shipments extended from the Atlantic to the Pacific. The animals have in nearly all cases, been sold to Agricultural Societies and Farmers' Clubs.

The Government increased the number of branch farms to assist the farmers, especially in the newer settled parts of the country, and in the older parts of Canada, where the conditions seem to require local experiments in crop-growing especially.

ANNUITIES FOR OLD AGE.

One of the best examples of advanced legislation ever placed upon the statute books of Canada was the Act passed by the Liberals at the Session of Parliament of 1910 providing for the issue of Government annuities for old age.

The object of the Act is to place within the reach of every man and woman in Canada a means by which he or she may make provision for old age.

The scheme briefly is this: Any Canadian wishing to obtain a Government annuity when he becomes old is required to deposit with the Government a certain sum (whatever he likes) per week or at irregular intervals. The Government adds 4 per cent compound interest to moneys so deposited with them; and when the depositor reaches the age of 55 or 60 the Government will pay him each year for life thereafter an annuity based upon his deposits with 4 per cent compound interest.

The advantages of the scheme are as follows:

1. There will be no charges or deductions for administration. That expense will be borne entirely by the Government. A much larger annuity will therefore be paid than could be paid by a Life Insurance or Annuity Company, which of course requires to make deductions to enable them to run their business.

2. The Dominion of Canada will be the security.

3. The depositor will have the satisfaction of knowing that his savings cannot be dissipated by extravagant or dishonest management.

4. The law provides that there shall be no forfeiture for any cause of deposits made by any one, and also that they cannot be seized for debt.

5. A depositor may withdraw his deposits with interest compounded before his annuity becomes due.

Finance.

In the realm of finance the Liberal Government had a record unexcelled in the history of the country, and one that every Liberal should be proud of. The following brief comparative statistics tell the story. In ten years out of the eighteen the Conservatives were in power there was a deficit between the revenues and ordinary expenditures of the country. Four of the deficits occurred during the last years of their rule, namely:—

1893-94.....	\$1,210,332
1894-95.....	4,153,875
1895-96.....	330,551
1896-97.....	519,981

The Liberals brought about a decided change in this respect from the very beginning. They showed a surplus every year ranging from \$1,000,000 to \$30,000,000, the total of the surpluses to the end of March, 1911, being \$166,000,000. For the fiscal year ending March 31st, 1912, the surplus was \$37,946,776. The Liberals were in office during the half of this year.

These surpluses were brought about concurrent with substantial reductions in Customs taxation, and in postage rates—a very considerable source of revenue. The actual direct reduction in customs taxation in the 15 years of Liberal administration is estimated at \$80,000,000. This estimate is arrived at by applying the average rate of duty imposed by the Conservatives or all imports in their last year of Office, to the imports under the Liberals. If that rate had been charged, instead of the lower Liberal rates, an aggregate of \$685,000,000, in customs duties would have been collected during the Liberal Regime, whereas the total collections were \$605,000,000. If the comparison be made by taking the average rate for the whole 18 years of Conservative rule, the showing would be still more in favour of the Liberals.

In addition to the direct reductions there is the indirect saving to the people from the reduced prices on Canadian manufactured articles by reason of the reduction in protection—the prices of Canadian manufacturers as a general rule being based on the amount or ratio of protection.

The extent of the reductions in postage rates was measured by no less an authority than Sir Charles Tupper at one million dollars a year. It is greater even than that.

PUBLIC DEBT.

From 1878 to 1896 under the Conservatives the public debt of the country was increased by \$118,000,000, whereas the increase during the Liberal rule was only \$81,000,000. But these figures do not tell the whole story. In considering the increased public debt one has to look at the capital expenditures. In their term of Office the Tories spent \$171,000,000 on capital expenditures; the Liberals spent \$288,000,000 on capital account or \$116,000,000 more than their predecessors in office, but nevertheless they increased the public debt by nearly \$40,000,000 less than the Tories. If the expenditure for the fiscal year ended March 31st, 1912, be included, the total capital expenditure of the Liberals was \$322,000,000. In other words the Liberals though greatly reducing taxation, as we have shown, were able to provide out of the ordinary revenues of the country for all the ordinary expenditures and, in addition, the large sum of \$202,000,000 up to 1911, and \$241,000,000 including 1912, for capital expenditures mostly in public works of a productive character. On the other hand, of the capital expenditures of the Conservatives amounting to \$167,000,000, no less a sum than \$118,000,000 was provided by adding to the public debt.

ORDINARY EXPENDITURES.

The ordinary expenditures of the Liberal Government increased from \$36,949,142 in 1896 to \$87,774,747 in 1911, an increase of \$51,000,000 or at the rate of 3 1-3 millions per annum. For the fiscal year ended March 31st, 1912, for which the Liberals may be held responsible, the expenditure was \$98,161,440. That increase, as we shall shortly prove, was necessitated and justified by the great development of the country. It was, however, not big enough for our Tory friends. In the three years they have been in office they jumped the ordinary expenditures to \$140,000,000. Is there a fair-minded man who will say that the development of the country during the last three years justified such an abnormal increase in its expenses? Is it not, on the contrary, an undoubted fact that the country has been marking time and making little progress for the last two years at any rate? In this connection it is amusing to read the manifesto issued by Mr. Borden during the election campaign of 1911. In that manifesto he pledged his party, if returned to power, to effect a thorough re-organization of the methods by which the public expenditure is supervised. Continuing, he declared:

"The increase in what is known as ordinary controllable expenditure from \$36,000,000 in 1896, to \$79,000,000 in 1911, is proof of extravagance beyond, any possible defence."

How silly that was in the light of the record of his own Government! If the Liberal increase of \$51,000,000 in fifteen

years was, in Mr. Borden's judgment, proof of extravagance incapable of any possible defence, what can be said of the increase by his own administration of \$42,000,000, in three years. Would it be lese majeste to suggest that the Conservatives have been guilty of the WILDEST possible-kind of extravagance to phase it mildly. That suggestion is in harmony with Mr. Borden's own methods of reasoning and apparently in keeping with the facts. Obviously the fact that the Conservatives increased the ordinary expenditures of the country by \$42,000,000 in three years is the best answer to the charge that the Liberals were extravagant. Criticism in the abstract is always easy to politicians in Opposition, but when the Conservatives assumed the responsibility of office they found that their charge of extravagance on the part of the Liberals could not be supported by facts. On the contrary, judging them from their action in increasing the ordinary expenditures of the country by \$42,000,000, they evidently were of the opinion that the Liberals had not spent enough.

A most important point in connection with these expenditures to which we wish to direct special attention, is that during the period of 15 years when the Liberals increased the ordinary national expenditures at the rate of 3 1-3 millions per annum; every interest in Canada was developing with rapid strides necessitating increased national expenditures; whereas during the last three years, when the Conservatives increased the expenditures over 13 millions per annum, the country has practically stood still.

It has always been the boast of the Conservative party that they are good spenders—of other people's money; indeed that is one of their principles. How, otherwise, they say, can the boys be kept feeling good. They have come to look upon the money provided by the whole of Canada as their own—to be spent chiefly for the benefit of the Conservative party.

We will proceed now to make a brief examination into the causes of the increased expenditures under the Liberals. Obviously it will be impossible to explain every item of expenditure—we can only deal with the main sub-divisions of expenditure.

We would emphasize in the first place that the increased ordinary expenses were all paid out of the ordinary revenue of the country and that these lower revenues were obtained by a substantially lower rate of taxation.

Second we submit that the tremendously increased developed territory, and its increased population necessarily involved enlarged national expenses. As a business man's expenses increase with the expansion of his business so do a Nation's. The only question was the increase along right lines and was the money properly expended. The Liberals make no apology for it. On the contrary they refer to it with pride, believing as they do that it was one of the instrumentalities which brought about the phenomenal growth and development witnessed during their regime.

Now to the details:—Bear in mind that the fiscal year ended March 31, 1911 was the last full year under their administration. They went out of office about the beginning of October. As we go along we shall quote the expenditures for both these years.

INTEREST ON PUBLIC DEBT.

The first large item of consolidated fund expenditure is for interest on public debt. In 1896 this annual charge amounted to \$10,502,429; in 1911 it was \$12,535,850, and in 1912 \$12,259,396. The increase is accounted for by the additional interest charges on the increased public debt, which was due chiefly to large capital expenditures on railway and other public works for the future benefit of the country. By contrast look at the record of the Tories. The estimated charges for interest on public debt next year are \$21,508,039.

ADMINISTRATION OF JUSTICE.

On this item there was expended in 1896, \$758,270; in 1911, \$1,292,401, and in 1912, \$1,300,513. This increase is entirely due to the development of the country, necessitating more judges, and to the payment of judges on a higher scale proportionate to the advance generally in professional and lay incomes. The Conservatives evidently did not consider the increase unfair as they further increased it from \$1,292,401 in 1911 to \$1,399,456 in 1914, and they have taken a vote of \$1,487,383 for the fiscal year ended March 31, 1916.

CIVIL GOVERNMENT.

This item comprises the salaries and expenses of the Civil Servants, chiefly at headquarters at Ottawa. In 1896 the total expenditure under this head amounted to \$1,396,628 and it increased to \$4,463,094 in 1911. The justification for this is the increased development of the country and increase of salaries due to the higher cost of living. Here again we cite the action of Conservatives as the best possible evidence that they do not consider the Liberal increase unwarranted. Since they went into office the expenditures have gone up thus:

1911-12.....	\$4,774,678
1912-13.....	5,109,458
1913-14.....	5,607,794
1914-15 amount voted.....	6,850,257
1915-16 amount voted.....	7,024,253

IMMIGRATION.

The vigorous policy adopted by the Honourable Clifford Sifton, the Liberal Minister of Interior, to promote immigration, was one of the principal causes of the great prosperity which Canada enjoyed for so many years under the Liberal regime. It brought about the tremendous development that has been witnessed in the North West, and thereby enormously increased the productive wealth and buying power of the country. Apart from the North West, every section of Canada felt the beneficial effects. The manufacturers of the East had to double and treble their establishments to keep pace with the new and ever-growing demands for their wares. Railways that had been living from hand to mouth became prosperous, notably the Canadian Pacific Railway; and more and more railways had to be built to cope with the traffic. In short the rapid and permanent settlement of enormous areas of the almost illimitable fertile acreage of the West opened up a new vista to the Canadian people, and spurred them on to activity theretofore undreamed.

To do them justice the Conservatives recognized the importance of developing the West and they spent a lot of money trying to bring immigrants into the country—something like \$4,300,000 in 18 years—but judged by results their methods were ineffective. It will not, we think, be seriously disputed by anyone that in 1896 when the Conservatives went out of power, the West had not made a good start towards development. During the last five years of Conservative rule only 113,984 people were brought into Canada from other countries, and it is a fair statement to make that most of them went away again. We could not even keep our own people. Over one million of our young folks drifted to the United States because they were unable to find scope for the exercise of their ambition at home. The policy which Mr. Sifton inaugurated put a new face on things. In the 15 years of Liberal Government no less than 1,886,529 immigrants came into the country.

The record of homestead entries shows a marked difference between the policy of the two Governments. In the last 7 years of the Conservative rule 23,000 entries were made, whereas during the first 7 years under the Liberals 73,185 entries were recorded, and for the whole 15 years 351,530. Estimating only three persons to an entry or family going upon the land, which is, we believe below the average, it will be seen that the majority of these immigrants went on the land.

Necessarily the carrying out of Mr. Sifton's policy involved greatly increased expenditures, but in the light of the results achieved for Canada, who will say that the money was not well spent? The expenditure for 1896 was only \$120,199 and it increased year by year to \$1,079,129 in 1911. In 1912 it was \$1,364,999. It may be mentioned that the Conservatives have continued to increase this item as appears from the following figures:

1912-13.....	\$1,427,111
1913-14.....	1,898,297
1914-15 amount voted.....	2,138,800
1915-16 amount voted.....	1,875,000

LEGISLATION.

Expenditure in 1896.....	\$ 904,687
“ “ 1911.....	1,655,418
“ “ 1912.....	2,439,807

This item covers expenses of Parliament. The increase is chiefly due to the enlargement of the sessional indemnity of members and Senators, and to an increase of the number of members of Parliament brought about by increase of population. Two sessions of Parliament were held in 1912 which accounts for the large increase for that year.

LIGHT HOUSE AND COAST SERVICE.

Expenditure in 1896.....	\$ 466,057
“ “ 1911.....	1,979,838
“ “ 1912.....	2,128,242

OCEAN AND RIVER SERVICE.

Expenditure in 1896.....	\$ 181,451
“ “ 1911.....	869,164
“ “ 1912.....	1,128,907

When one considers our enormous coast line with its dangerous features in the East, and our widely extended inland waterways, it is evident that the comparatively small expenditures of the Conservatives on these services which are of so much importance to the water borne commerce of the country, were most inadequate. As a matter of fact, Canada was very much behind hand, the direct evidence of which was found in the exceedingly high marine insurance rates which greatly militated against our trade. A strong forward policy was instituted by Liberals and carried through with great vigor and despatch. Perhaps the best evidence in support of it that might be cited is the following extract from a speech delivered by the present Minister of Marine and Fisheries, Honourable J. D. Hazen, at the annual meeting of the Canadian Manufacturers Association held in Ottawa in October, 1912. Dealing with the question of trying to obtain further reduction in Marine Insurance, Mr. Hazen spoke thus:

“Facts and figures have been laid before the Underwriters; it has been pointed out to them that during late years great improvements have been made in the St. Lawrence

route; that not many years ago the depth of water in the channel from Montreal down, in places did not exceed ten feet; to-day from Montreal to the sea we have a channel 80 feet deep, a channel that is being widened, straightened out and improved every year, and which is now being deepened to a depth of 85 feet; it was pointed out to them of late years aids to navigation of the most modern character it is possible to obtain, have been placed along the St. Lawrence; that there is a lighthouse practically on every headland, that on every promontory and point there is something to guide the mariner, and that the channel is well buoyed, and in addition to that submarine bells have been established, and that the most modern and up-to-date aids to navigation have been established along the St. Lawrence route, and that the Government of Canada—and I refer to no particular Government—are willing to go on spending money, putting better aids on as the inventive genius of man produces aids that are better than those we have to-day; and there has been an improvement of a very great character indeed in the aids to navigation upon the river St. Lawrence, and to-day there is no waterway in the world that is better guarded, better protected, better buoyed or lighted than is the St. Lawrence from Montreal to the sea."

Not only was the navigation of the St. Lawrence vastly improved by the Liberals but they provided first class, up-to-date aids to navigation in the waters of the Pacific and the Great Lakes. The lighted buoy system adopted in all the waters of Canada was frequently described at one time as the most advanced in the world. For many years it was well ahead of the United States' system. Indeed the United States were obliged to follow Canada's example in the illuminated buoying of the Great Lakes.

In conclusion on this head we quote Mr. Hazen's own action as good evidence that the Liberal expenditures were not unduly large. Under his Administration, the expenditures under this head have increased as follows:

LIGHT HOUSE AND COAST SERVICE.

1911.....	\$1,979,838
1912.....	2,128,242
1913.....	2,260,207
1914.....	2,324,103
1915 amount voted	2,599,900
1916 amount voted.....	2,429,540

OCEAN AND RIVER SERVICE.

1911.....	\$ 869,164
1912.....	1,128,907
1913.....	1,121,200
1914.....	1,216,278
1915 amount voted.....	1,267,454
1916 amount voted.....	1,256,900

SUBSIDIES TO PROVINCES.

Expenditure in 1896.....	\$4,235,664
“ “ 1911.....	9,092,471
“ “ 1912.....	10,281,044

From time to time as the country developed and expanded the needs of the Provinces became greater. To meet these needs, the Provinces would have been obliged to impose additional direct taxation in some form or other, but the Liberals thought it wiser to grant them additional aid out of the ordinary revenues. The revenues of the Dominion were obtained from the whole people, and what better use could be made of this than by distributing a reasonable proportion among the Provinces. Another reason for the increase shown above is the creation of the two new Provinces, Saskatchewan and Alberta, the territory of which had been previously administered by the Dominion Government and the expenditure charged up under another head.

COLLECTION OF REVENUE.

Under the general head of collection of revenue a number of important items for expenditure are grouped particularly those for Customs Excise, Dominion lands, Post Office, Railways, including Intercolonial and Canals. We shall shortly deal with the more important of these in detail, but for the moment we will consider the totals of the expenses for collecting the revenue which were in:

1896.....	\$9,291,000
1911.....	24,951,000
1912.....	28,246,873

A rough and ready method of testing this expenditure is to compare the average cost of collection. Such comparison shows that the percentage cost under the Conservatives was 25% while under the Liberals in 1911 it was 21%. Take for instance the expense for maintaining the Customs Offices throughout the Dominion for collecting the customs revenue. Such expense increased from \$896,332 in 1896 to \$2,187,174 in 1911, but at the same time the Customs revenue expanded from \$20,219,037 to

\$73,312,367. The percentage cost of collection in 1896 was 4.43 and in 1911 it had fallen to 2.98%.

Look next at the Post Office Department, the expenses of which increased under the Liberals from \$3,665,011 per annum of 1896 to \$7,954,222 in 1911. Study the facts carefully and you will, we are sure, agree that the administration of that Department forms one of the brightest pages in the record of the Liberal Government. What are the facts?

For nearly every year in the last 10 years of the Conservative Government there was a large deficit in this Department. The total of the deficits being nearly \$6,000,000. In the course of his budget speech in 1896 the Honourable George E. Foster, then Conservative Minister of Finance said:

"There is now a deficit of nearly \$800,000 between the total receipts and the total expenditures, of our Post Office service and this I fear makes the time somewhat distant when what might otherwise be fairly asked, can be granted; that is a reduction upon the postal rates of this country."

The forceful and able Liberal Minister, Sir William Mulock, quickly remedied that deplorable condition of affairs. In two years he had reduced the annual deficit of three-quarters of a million dollars to only \$47,000. Whereupon he promptly reduced the domestic letter rate from three to two cents, and the British letter rate from five to two cents. Later the letter rate to the United States was reduced from 8 to 2 cents. Notwithstanding this reduction which involved an immense loss of revenue, the accounts of the Post Office Department almost balanced in 1902 and for every year thereafter a handsome surplus was shown, namely:

SURPLUSES POST OFFICE DEPARTMENT.

1903.....	\$ 292,654
1904.....	304,784
1905.....	490,745
1906.....	1,011,765
1907.....	1,082,171
1908.....	1,101,957
1909.....	809,237
1910.....	743,210
1911.....	1,192,730

This business-like management of the Department paved the way for commencing the establishment in 1908 of one of the greatest boons to the farming community, the rural mail delivery.

GOVERNMENT RAILWAYS.

One of the largest items included under the head of ordinary expenditure and classified under the subhead "Collection of Revenue" is the working expenses of the Intercolonial. As the country developed, the operations of this Railway greatly expanded. This involved increased working expenses. Such increase goes to increase the country's ordinary expenditures, but inasmuch as it was offset by corresponding increased earnings it should really not be looked upon as increase in expenditure. It is all a matter of bookkeeping. When the earnings of the Intercolonial Railway balance the working expenses the country does not really spend money on it.

The following figures show the earnings and working expenses of the Intercolonial and other Railways, for the years 1896-1911 and 1912.

	<i>Working Expenses</i>	<i>Earnings</i>
1896.....	\$3,254,442.....	\$3,140,678
1911.....	10,087,878.....	10,249,394
1912.....	11,074,852.....	11,084,165

The record of both political parties when in office respecting the operation of the Government Railways is about the same. The earnings of the Railways have not been sufficient to pay working expenses—taking the average of a term of years. Large new capital expenditures have been made on the railways by both parties.

NAVAL SERVICE.

The Naval service amounted to \$2,256,709 under the Liberal ordinary expenditures in 1911. There was no corresponding item of expenditure when the Tories were in office.

LABOUR DEPARTMENT.

This Department was created by the Liberals, expenditure on which for the year 1911 was \$98,402. The advantages of this Department in settling disputes between Labour and Capital, in averting and settling strikes, are so well known and so manifest that any defence of the expenditure would appear to be unnecessary.

YUKON DISTRICT.

This District was not discovered when the Conservatives were in power and the expenditure under this head is, therefore, new. In 1911 it amounted to \$308,674. For many years the district was self-sustaining. That is to say, the direct revenue therefrom were greater than the expenditures. As the gold production fell off the reduction decreased. Nevertheless the Government service had to be carried on.

INDIANS.

Expenditure in 1896.....	\$ 880,408
" " 1911.....	1,449,961
" " 1912.....	1,756,565

The reasons for this increase may be briefly enumerated as follows:

- (1) Treaties were entered into with the Indians, North of Edmonton and North of Prince Albert and in northern Manitoba and Ontario, involving the payment of annuities to the Indians.
- (2) The Boarding and Day School systems were made more thorough and efficient.
- (3) The opening of the Yukon District necessitated the attention and care of the Government to the Indian population there in the form of schools and hospitals and general relief.
- (4) Owing to the withdrawal of the Indians of the West in large measure from hunting and fishing the Indian Department was put to considerable expense in connection with starting the Indians as farmers and stock raisers.
- (5) The Liberal Government adopted a systematic policy of relief to the old, infirm and destitute especially in remote districts where they were formerly at the mercy of the fur traders.

DOMINION LANDS.

Expenditure in 1896.....	\$ 119,908
" " 1911.....	1,804,250
" " 1912.....	2,277,099

These relatively large increases call for special comment.

The item comprises the expenditures for maintaining Dominion Land offices in the West, making of surveys, protection of timber, maintenance of Dominion Parks, supervision of water powers and publication of maps.

It will be obvious that the great flow of immigration to the West which started under the Liberal administration necessitated a large increase in the number of Land offices and officials connected therewith. For the same reason the expenditures for surveys of Government lands had to be enlarged greatly.

In Conservative days prior to 1896 no public moneys were spent for the protection of timber. The Liberals undertook this highly necessary task and spent on it in 1911, \$194,608 and in 1912, \$302,279.

To the Liberals also is due the credit of establishing on a proper basis, the great national parks in and near the Rocky Mountains which yearly attract many thousands of tourists who add substantially to the general income of the country. Towards the maintenance of these parks the Expenditure in 1911 was \$159,138 and in 1912, \$206,399.

CENSUS.

The expenditure of 1912, included a sum of \$1,204,614 for taking the Census. There was no corresponding item in 1896.

AGRICULTURE.

Expenditure in 1896.....	\$ 210,877
“ “ 1911.....	1,319,905
“ “ 1912.....	1,567,021

Judging by these figures it will be seen that the Conservatives prior to 1896 gave scant attention to the development of the greatest industry in the country. The Liberals were not afraid to spend money towards improving farming conditions and increasing farm production. Their expenditures for these purposes have never been seriously questioned.

FISHERIES.

Expenditure in 1896.....	\$427,250
“ “ 1911.....	760,734
“ “ 1912.....	843,856

This is another great source of national wealth and national income. Money properly spent on its development is wise expenditure. Suffice it to say that not a breath of criticism has ever been heard regarding the increased expenditure of the Liberals.

In 1913 the Conservatives increased the expenditure to \$921,953 and in 1914 to \$1,229,519.

MAIL SUBSIDIES AND STEAMSHIP SUBVENTIONS.

Expenditure in 1896.....	\$ 534,916
“ “ 1911.....	1,918,941
“ “ 1912.....	1,904,513

A both forward and enlightened policy was adopted by the Liberals towards these aids to commerce. Just as imitation is the sincerest form of flattery the Conservatives by adopting the Liberal policy has admitted its wisdom. They increased the expenditure under this head from \$1,904,513 in 1912 to \$2,383,686 in 1914.

MILITIA AND DEFENCE.

Expenditure in 1896.....	\$1,136,713
“ “ 1911.....	6,868,651
“ “ 1912.....	7,580,600

These figures prove that the Liberals consistently adhered to their policy, declared repeatedly at various Imperial Conferences that it was the first duty of Canada as it developed in wealth and importance to maintain adequate land defences.

CAPITAL EXPENDITURES.

Including the whole of the fiscal year ended March 31st, 1912, the Liberals spent on capital and special account including Consolidated fund transfers and expenses of loans in their 16 year term of office, something like \$322,000,000 and were able to provide for of it except \$81,000,000 out of the revenues of the country based upon reduced rates of taxation. In that way they undertook great public works, such as the construction of the Transcontinental Railway, the deepening of harbors, and rivers, improvement of canals and waterways and the construction of public buildings all for the future advantage of the country without unduly burdening either the present or the future tax payer. They also gave generous encouragement in the shape of cash subsidies to various railway companies towards the extension and improvement of transportation facilities.

The Liberals contend, not only that these expenditures were necessary, but that they proved a very material factor in the great prosperity the country enjoyed for many years. When the Liberal Government took charge of the country's business Canada was in a rut—a "slo: gh of despond" almost; the proper foundations had not been built, apart from the construction of the Canadian Pacific Railway; our canal system was rapidly becoming obsolete by reason of its shallow navigation; our ocean and inland ports were not at all properly equipped, and our great waterway, the St. Lawrence was behind the times from every navigation point of view; the West labouring under the handicap of the Canadian Pacific Railway monopoly cried out for more and more railways; from British Columbia, too, came demands for railways to open up its rich mining districts and ensure the trade thereof to Canadians, instead of to the Americans.

The Liberals looked these problems squarely in the face, grappled with them and overcame most of the difficulties by the adoption of vigorous and progressive measures which ultimately put Canada in its proper place in the industrial world. Two main objects were steadily kept in view and largely accomplished, namely,—

(1) To enable the farmer and other producers to get their produce to its market at the cheapest possible cost.

(2) To enlarge the home market to the Canadian manufacturer.

It would be too big a task to give the details of all capital expenditures; we shall content ourselves with showing the expenditures under the main head which were as follows,—

Public Works.....	\$31,742,175
Canals.....	34,934,340
Intercolonial Ry.....	36,858,037
P.E. Island Ry.....	4,937,218
National Transcontinental.....	116,533,764

Dominion Lands.....	\$ 6,685,320
Quebec Bridge.....	7,906,122
Railway subsidies.....	26,129,193
Payment to Provinces Ontario and Quebec...	6,522,016
Militia.....	12,124,144

Consolidated fund, transfers and expenses of loans account
for most of the balance.

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